Newfoundland and Labrador

Budget Highlights 2004

Protecting our Future

Budget Overview

Economic Performance

- 2003-04
  - Real GDP grew by 4.7%, led by growth in exports and consumer spending.
  - Offshore oil production grew by 17.9% to 123.0 million barrels.
  - Employment increased by 1.8% to 217,800 on an annual average basis.
  - Real personal income grew by 1.4% and real disposable income increased by 1.1%.

- 2004-05
  - Real GDP is expected to grow by 1.3% driven mainly by consumer spending and investment.
  - Employment is expected to grow by 0.9% to 219,700 and the unemployment rate is set to decline to 16.4%.
  - Inflation is expected to be 1.8%, which is lower than inflation in 2003-04.
  - Retail sales are expected to increase by 3.0% to $5.5 billion.
  - Housing starts are estimated to be 2,600 units.
  - Capital investment is expected to increase by 10.5% to almost $4.2 billion, the highest level ever.

Fiscal Performance 2003-04

- Accrual deficit of $958.7 million versus $665.9 million at budget.

- Cash deficit of $406.6 million versus $286.6 million at budget.

Budget Outlook 2004-05

- Accrual deficit of $839.6 million versus PricewaterhouseCoopers estimate of $988.9 million.

- Cash deficit of $361.6 million versus PricewaterhouseCoopers estimate of $601.6 million.

Responsible Decisions

- The PricewaterhouseCoopers report revealed that the fiscal outlook for the next four years is much worse than expected, and that the cash deficit cannot be eliminated by revenue growth alone.

- Government is taking difficult but responsible decisions to protect the future of the province.

- Closures
  - Salmonier Correctional Institution,
  - a 10 bed unit at Whitbourne Youth Centre,
  - 20 Human Resources, Labour and Employment offices.

- Cancellations
  - New school in L'Anse au Loup and West Coast Exhibition Centre in Corner Brook,
  - healthcare facilities in Grand Bank, Grand Falls-Windsor and Gander.

- Deferrals
  - Funding for a CT scanner in Burin,
  - redevelopment of Herdman Collegiate in Corner Brook,
  - the extension to Leary's Brook Junior High in St. John's,
  - the Mealy Mountain High School auditorium in Happy Valley-Goose Bay,
  - one year delay in the opening of The Rooms.

- Workforce adjustment strategy
  - Government will achieve a reduction of approximately 4,000 positions in the public service over a four year period.
  - This reduction will be realized mainly through attrition and retirements.
  - Government has lived up to its commitment to avoid massive layoffs.
  - A clearing centre and other support programs will assist employees whose jobs are affected.

- Health blueprint for reform
  - Reduction and integration of health boards.
  - Fair and equitable approach to location of health services to be established.
  - Development of a skill mix framework to ensure that the right mixture of health care professionals is available to deliver high quality and effective services.
  - Development of a "best practices" culture to continuously evaluate all areas of clinical and support services to improve effectiveness and efficiency.

- Reduction of school boards from eleven to four plus one Francophone board, for anticipated savings of at least $6 million annually.

- Implementation of the Sparkes-Williams formula for teacher allocations over two years.

- Increases in tobacco taxes.

- Increased vehicle registration fees will provide an additional $7 million to the provincial roads program to perform preventative maintenance.

Our Social Responsibility

Government has a responsibility to ensure the efficient and effective delivery of resources to those who need them. Measures taken in this budget protect valuable social programs.

Health

- An investment of $1 million for community mental health services in response to the Reid/Power Inquiry.

- $8.6 million increase in the Drug Program to over $106 million, $800,000 is provided for a new chemotherapy drug to help fight cancer (Gleevac).

- $4.3 million will be spent this year on additional primary health care projects.

- Funding for additional social workers for Labrador.

- Implementation of year five of the Personal Care Home Strategy at an additional cost of $475,000, to increase personal care home rates for those who provide care to our seniors.

- $200,000 to assist the new Ministerial Advisory Council for Aging and Seniors to ensure that the needs and concerns of seniors are properly understood and addressed. Government will also establish a Division of Aging and Seniors in the Department of Health and Community Services.

- Funding is provided for a new Chief Nurse position within the Department of Health and Community Services.

Education

- $22.1 million will be spent in 2004-05 on major capital construction projects to improve existing schools and construct new facilities.
  - $13.9 million of this is for projects already underway, including the new Francophone school/community centre, and extension and renovations at Northshore Elementary School (Meadows) and improvement to the St. Bernard's School in Mobile.
  - $8.2 million is for major maintenance projects.

- Funding is allocated for creation of a Ministerial Council on Early Childhood Learning to foster comprehensive programs across all government departments and agencies that focus on the learning needs of children and their families.

- $250,000 to proceed with a White Paper on Post Secondary Education.

- Tuition is frozen at Memorial University and the College of the North Atlantic.

Help for Those Who Need it Most

- Commencing in the 2005 taxation year, a Low Income Tax Credit will be instituted; individuals with net income up to $12,000 and families with net income up to $19,000 will pay no provincial personal income tax. The annual cost of this measure will be $5.3 million.

- Indexing of the Seniors' Benefit and the Newfoundland and Labrador Child Benefit to the Consumer Price Index will start in 2004 at a cost of $400,000.

- Enhancement of the Mother Baby Nutritional Supplement to provide eligible mothers $90 at the time of birth.

- $250,000 to implement a "Healthy Children - Healthy Schools" program.

- $500,000 grant for the Kids Eat Smart Foundation.

- Government will provide an extra $1.6 million to further enhance the Child Care Services Subsidy Program.

- Additional $400,000 to expand the supported-employment program to assist people with disabilities to enter the workforce.

- Additional $100,000 to address gambling addiction.

- Increased funding for the Women's Advisory Council and for eight Women's Centres located throughout the province.

Policing and Justice

- Train 75 new RNC officers over three years at Memorial University.
- $2.25 million by 2007-08 to hire 45 new RNC officers.
- Funding for an additional four RCMP officers in Labrador.
- $1.5 million for new equipment and training for the RNC, some of which was recommended by the Reid-Power inquiry.
- $2 million for the Supreme Court in Happy Valley-Goose Bay.

Investing in Our Future

As we restructure our social programs to make them more efficient and sustainable, we will also seek new revenues for social programs by investing strategically in economic growth and job creation.

- A new Department of Business will be established, to be led by the Premier, with an annual budget of $1 million.
- $350,000 provided for a Newfoundland and Labrador Office of Federal-Provincial Relations in Ottawa.
- $1.25 million will be spent to implement the recommendations of the Dunne report on fish processing policy, to be offset by increased fees for fish processing licenses.
- $1 million will be spert to preserve the province's contributions to fisheries and aquaculture development.
- Cost-share with the federal government $7.5 million for year two of the federal/provincial agreement on Agricultural Policy Framework.
- $500,000 for land development, allowing farmers to lease land not currently being used for agricultural purposes.
- $80,000 for a focused effort on preparation of a comprehensive energy plan for the province.
- $7.3 million for a silviculture program to help promote sustainable development in our forest resources.

- $3.5 million for the Forest Resource Roads Program, allowing access to hard to harvest forestry stands and for infrastructure development for the coastal Labrador ferry service.

- $7 million for tourism marketing initiatives. This is a $1 million increase over the last year, and further increases will be made each year until our marketing effort matches that of the Maritime provinces.

- $825,000 is allocated to augment the $1.5 million in federal funding to grow cultural industries.

- $150,000 for French Heritage Celebrations.

- $250,000 grant to the Heritage Foundation of Newfoundland and Labrador.

- $200,000 for the Music Industry Association of Newfoundland and Labrador.

- A new Chief Information/Innovation Officer will lead a new Innovation and Advanced Technologies Branch within the Department of Innovation, Trade and Rural Development. This new branch will develop a comprehensive innovation strategy, for which $200,000 is earmarked.

- $7 million in additional funding for a total of $30 million for the Provincial Roads Program.

- $24 million to proceed with Phase III of the Trans Labrador Highway and complete Phase II.

- $15.1 million in the Strategic Highway Infrastructure Program (upgrades to the TCH).

- $1.5 million for capital improvements to island ferry terminals; $750,000 for upgrades and maintenance to ferry terminals for Coastal Labrador Ferry Services.

- $2.4 million for the Ferry Vessel Refit Program.

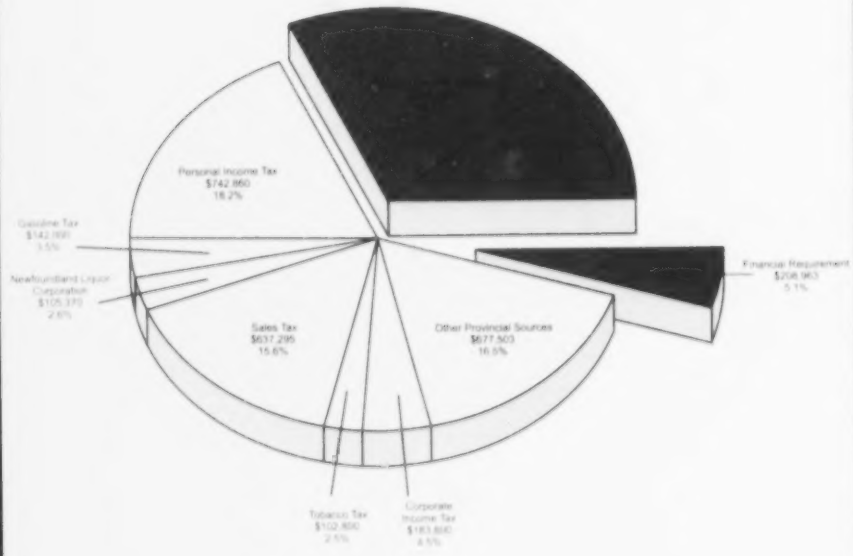
- $430,000 for Road Weather Information System (first of a three year project totaling $1 million to assist winter maintenance crews by more precisely predicting when and where to apply sand and salt).

- $1.7 million from existing funds for a new Rural Secretariat as the focal point for government to work with local and regional partners to building strong and dynamic communities.

- Funding for broadband internet infrastructure for rural communities.

SUMMARY OF CURRENT REVENUES (By Source)

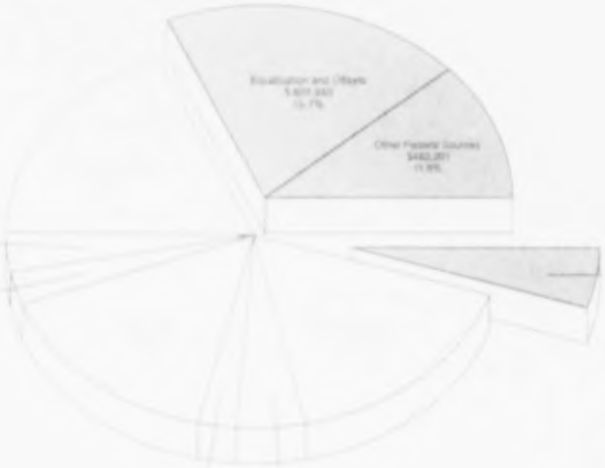
WHERE THE MONEY COMES FROM



Percentage Of Total		Source	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Provincial:		
18.1	18.2	Personal Income Tax	742,860	733,216
15.4	15.6	Sales Tax	637,295	625,090
3.3	3.5	Gasoline Tax	142,000	135,000
2.4	2.6	Newfoundland Liquor Corporation	105,370	99,000
2.3	2.5	Tobacco Tax	102,800	92,500
3.4	4.5	Corporate Income Tax	183,800	140,118
16.7	16.5	Other Provincial Sources	677,503	676,091
61.6	63.4	**Total: Provincial**	2,591,628	2,501,015
		Government of Canada:		
25.6	19.7	Equalization and Offsets	804,940	1,038,749
11.9	11.8	Other Federal Sources	482,001	483,022
37.5	31.5	**Total: Government of Canada**	1,286,941	1,521,771
99.1	94.9	**Total: Current Revenues**	3,878,569	4,022,786
0.9	5.1	**Financial Requirement**	208,963	34,508
100.0	100.0	**Total**	4,087,532	4,057,294

SUMMARY OF CURRENT REVENUES (By Source)

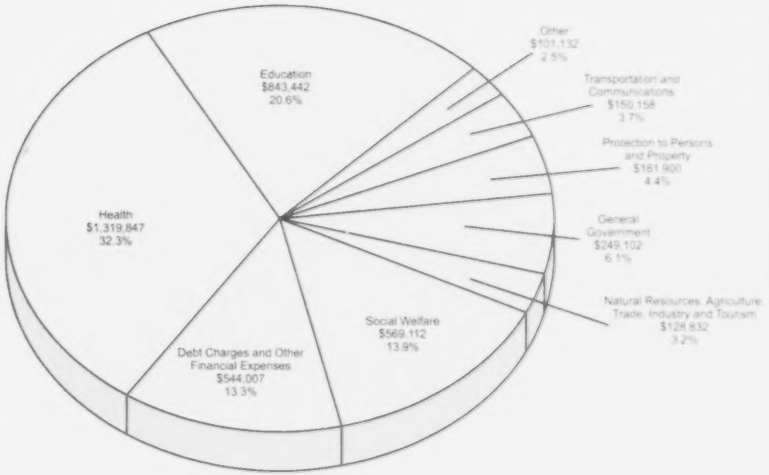
WHERE THE MONEY COMES FROM



Percentage of Total		Source	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Provincial		
		Total Provincial		
		Government of Canada		
		Total Government of Canada		
		Total Current Revenues		
		Financial Requirement		
		Total		

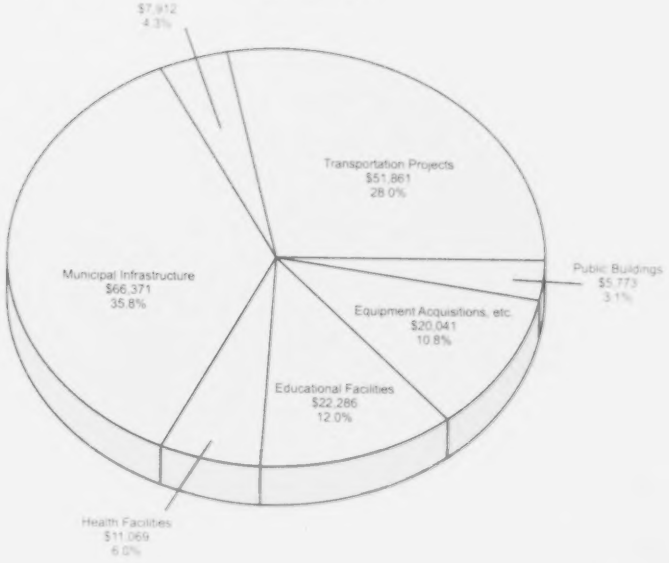
SUMMARY OF CURRENT ACCOUNT EXPENDITURES (By Function)

WHERE THE MONEY GOES



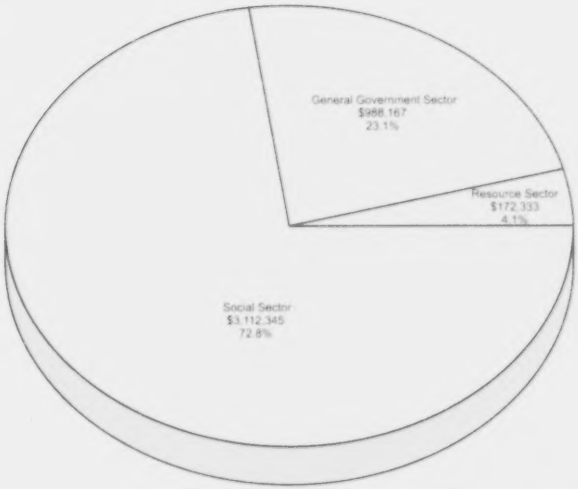
Percentage of Total		Function of Expenditure	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Expenditure:		
20.2	20.6	Education	843,442	820,685
32.0	32.3	Health	1,319,847	1,296,655
13.4	13.3	Debt Charges and Other Financial Expenses	544,007	545,226
14.1	13.9	Social Welfare	569,112	572,677
3.4	3.2	Natural Resources, Agriculture, Trade, Industry and Tourism	128,832	135,645
5.9	6.1	General Government	249,102	238,451
4.4	4.4	Protection to Persons and Property	181,900	180,534
3.8	3.7	Transportation and Communications	150,158	154,734
2.8	2.5	Other	101,132	112,687
100.0	100.0	Total: Expenditures	4,087,532	4,057,294

SUMMARY OF GROSS CAPITAL ACCOUNT EXPENDITURES
(By Function)



Percentage of Total		Category of Capital Expenditure	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Expenditure:		
20.4	28.0	Transportation Projects	51,861	40,386
7.4	4.3	Resource Development	7,912	14,605
35.0	35.8	Municipal Infrastructure	66,371	69,126
9.9	6.0	Health Facilities	11,069	19,538
5.8	12.0	Educational Facilities	22,286	11,518
19.9	10.8	Equipment Acquisitions, etc.	20,041	39,228
1.6	3.1	Public Buildings	5,773	3,190
100.0	100.0	**Total: Expenditure**	185,313	197,591
		Source of Financing:		
30.3	29.4	Government of Canada Revenues	54,459	59,953
11.1	8.2	Provincial Revenues	15,204	21,963
58.6	62.4	Financial Requirement	115,650	115,675
100.0	100.0	**Total: Sources**	185,313	197,591

SUMMARY OF GROSS GOVERNMENT EXPENDITURES
CURRENT AND CAPITAL
(By Sector)



(TOTAL EXPENDITURE: $ 4,272,845,500)

GROSS GOVERNMENT EXPENDITURE

	Estimate 2004-05 ($000)	Percentage of Total %
Sector Expenditure		
General Government	988,167	23.1
Resource	172,333	4.1
Social	3,112,345	72.8
Total: Expenditure	4,272,845	100.0

RESOURCE SECTOR

	Estimate 2004-05 ($000)	Percentage of Total %
Business	1,000	0.1
Environment and Conservation	24,197	0.6
Fisheries and Aquaculture	10,356	0.2
Innovation, Trade and Rural Development	30,491	0.7
Natural Resources	73,541	1.7
Tourism, Culture and Recreation	32,748	0.8
Total: Resource Sector	172,333	4.1

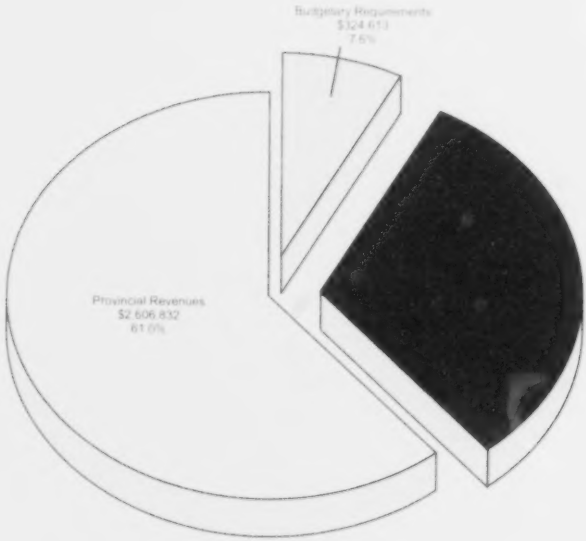
SOCIAL SECTOR

	Estimate 2004-05 ($000)	Percentage of Total %
Education	891,155	20.9
Health and Community Services	1,660,051	38.8
Human Resources, Labour and Employment	276,306	6.5
Justice	145,415	3.4
Municipal and Provincial Affairs	129,508	3.0
Newfoundland and Labrador Housing Corporation	9,910	0.2
Total: Social Sector	3,112,345	72.8

GENERAL GOVERNMENT SECTOR

	Estimate 2004-05 ($000)	Percentage of Total %
Consolidated Fund Services	586,060	13.7
Executive Council	32,719	0.8
Finance	61,143	1.4
Government Services	32,624	0.7
Labrador and Aboriginal Affairs	7,305	0.2
Legislature	15,641	0.4
Public Service Commission	2,557	0.1
Transportation and Works	250,118	5.8
Total: General Government Sector	988,167	23.1

SUMMARY OF BUDGETARY FINANCING SOURCES
(For Gross Current and Capital Account Expenditures)



Percentage of Total		Category of Financing	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Revenue Sources:		
59.3	61.0	Provincial	2,606,832	2,522,978
37.2	31.4	Federal	1,341,400	1,581,724
96.5	92.4		3,948,232	4,104,702
		Budgetary Requirements:		
2.7	2.7	Capital Account (Net Expenditure)	115,650	15,675
0.8	4.9	Current Account (Financial Requirement)	208,963	34,508
3.5	7.6	Total Budgetary Requirements:	324,613	50,183
100.0	100.0	**Total: Sources**	4,272,845	4,254,885

Federal Revenues
$1,561,400
31.6%

Notes

Notes

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Budget 2004

GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

BUDGET SPEECH 2004

"Protecting Our Future"

Presented by

HONOURABLE LOYOLA SULLIVAN
Minister of Finance and
President of Treasury Board

At The
First Session of The Forty Fifth General Assembly
of The House of Assembly

TUESDAY, MARCH 30, 2004

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Introduction

Mr. Speaker, it is my privilege today to present the first budget of this government under the leadership of Premier Danny Williams.

Prior to and during the election, we outlined a number of commitments to the people of Newfoundland and Labrador. I would like to focus today on three major commitments:

- First, to balance the budget on a cash basis in four years and restore sound fiscal management;
- Second, to expand the economy and create jobs;
- And third, to ensure that our health and education systems meet the needs of Newfoundlanders and Labradorians and are sustainable into the future.

We will deliver on those commitments. It will not all happen in this budget year or the next. But we will get there.

When we came into office less than five months ago, our government fully expected to find a serious fiscal situation for 2004-05. But the more fundamental, and unexpected, problem was the magnitude of the deficits projected for the coming years, which would cause the debt to grow to a level that would compromise the fiscal integrity of the province.

It became clear very quickly that the deficit could not be eliminated by revenue growth alone as stated in the 2003 budget speech and that a period of restraint would have to be endured to turn the deficit momentum around. Mr. Speaker, no responsible government can ignore the stark arithmetic.

It was equally clear that we would have to refocus government to deliver enduring public services at lower costs. To be sustainable, government will have to become affordable.

The people of Newfoundland and Labrador understand that we have reached this critical point in our history as a province of Canada and that government must act now to put its fiscal house in order.

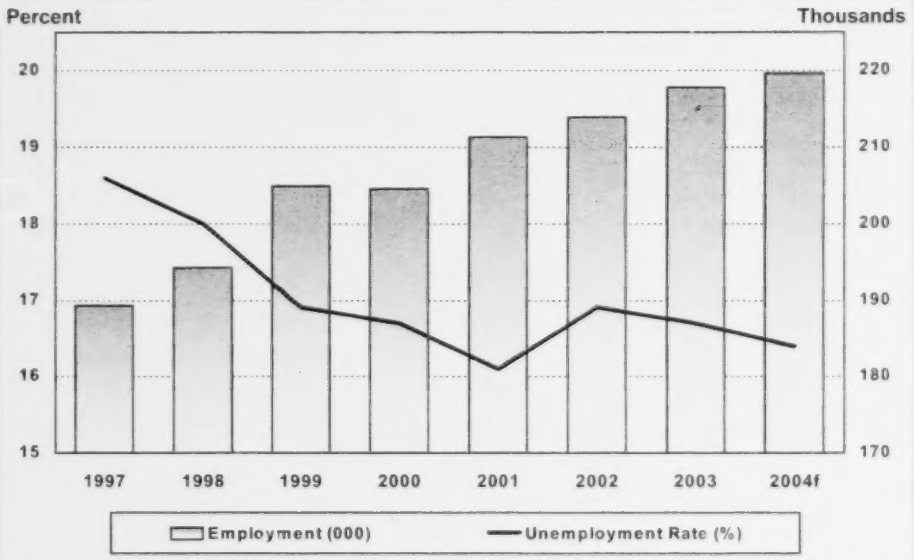
They also know that government cannot do this on its own. It will take a cooperative effort by government, the entire public service, communities, business and citizens generally to deal effectively with our financial challenges, to preserve the fiscal room to deliver high-quality community and social services, and to maintain a competitive environment for economic growth and job creation.

Mr. Speaker, this budget I am presenting today lays out our plan to get the job done. The plan is reasonable, responsible, and realistic and demonstrates this government's commitment to serve the needs of the people by providing good government.

NEWFOUNDLAND AND LABRADOR
Main Economic Indicators

	2003	2004 f
	(Percentage Change)	
Gross Domestic Product		
Nominal	10.2	-0.9
Real	4.7	1.3
Personal Income		
Nominal	4.3	3.0
Real	1.4	1.1
Retail Sales		
Nominal	5.1	3.0
Real	3.4	1.6
Housing Starts	11.3	-3.4
Consumer Price Index	2.9	1.8
Employment	1.8	0.9
Unemployment Rate (percent)	16.7	16.4

Employment and Unemployment Rate
1997 to 2004f



Clear Priorities

Mr. Speaker, Newfoundlanders and Labradorians want government to spend their money in ways that make sense to them and mirror their values. To do that, government's deficit reduction plan must be guided by their priorities.

- First, they want us to focus on reducing costs by doing things better, not by raising income taxes or by cutting services that they need and that reflect their core values.
- Second, they want to make sure we continue to have strong economic growth and job creation.
- Third, they want people treated fairly and equitably.
- Fourth, they want decisions made openly and performance results reported accountably in accordance with measurable standards.
- And fifth, they want to make sure the legacy we leave our children is fiscal stability and sustainability, not an unmanageable burden of debt.

With these priorities of Newfoundlanders and Labradorians as our guide, we have produced a budget strategy that will pull the province's finances back from the brink and protect the future of Newfoundland and Labrador.

Our Opportunity

Mr. Speaker, in recent years, government has created a serious problem with money management. It has not been a good steward of the taxes Newfoundlanders and Labradorians pay every year for the services they need and value. We can and will do better, much better. That is what our plan is all about.

The good news is that our economic fundamentals are strong. We have a good base upon which we can build as we endeavour to secure a better future for ourselves and our children. The economy is expanding, becoming more diversified and competitive, and creating more jobs every year. Newfoundlanders and Labradorians want to keep it that way, and so does the government.

We see tremendous new opportunities emerging in the years ahead in our resource sectors, such as agrifoods, aquaculture, mining, energy, oil and gas.

We see tremendous new opportunities in information technology, research and development, the environment, tourism and culture.

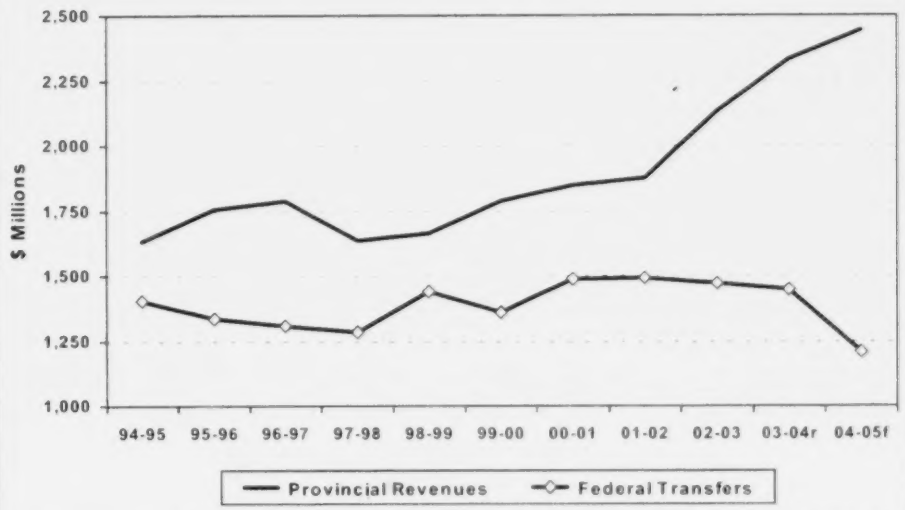
We see tremendous new opportunities for growth and job creation in the small business sector, a vital generator of economic activity in our communities.

Clearly, the development opportunities before us are substantial.

Summary of 2003-04 Financial Performance

	Restated Budget 2003-04	Revised 2003-04 ($ Millions)	Variance
Current Account			
Gross Expenditure	4,045.6	4,057.3	(11.7)
Related Revenue	233.3	241.6	8.3
Net Expenditure	3,812.3	3,815.7	(3.4)
Provincial and Federal Revenues	3,686.2	3,781.2	95.0
Financial Requirement	126.1	34.5	91.6
Capital Account			
Gross Expenditure	215.6	197.6	18.0
Related Revenue	129.0	81.9	(47.1)
Net Expenditure	86.6	115.7	(29.1)
Borrowings - Other Entities	73.9	256.4	(182.5)
Cash Deficit	286.6	406.6	(120.0)
Accrual Adjustment	379.3	552.1	(172.8)
Accrual Deficit	665.9	958.7	(292.8)

Provincial Revenues and Federal Transfers
1994-95 to 2004-05f

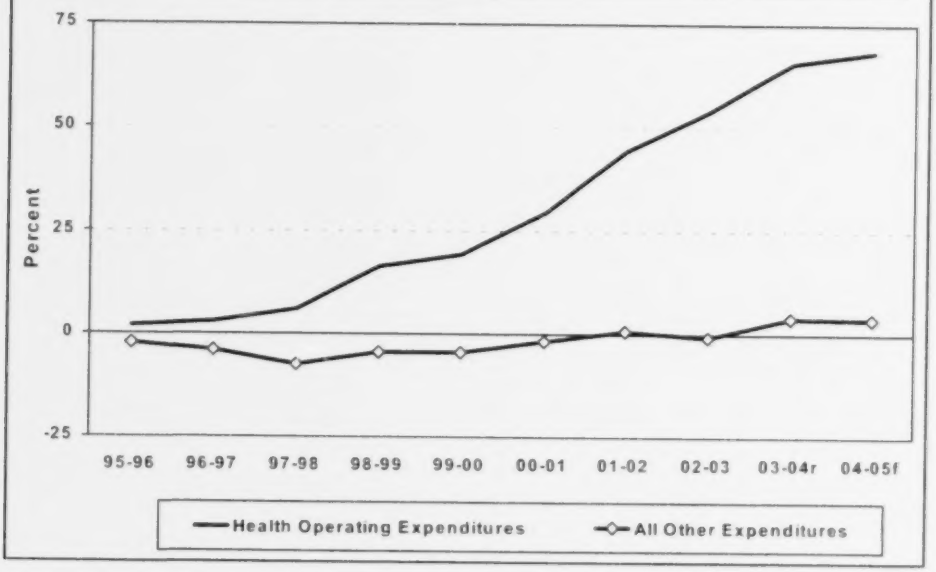


• Provincial revenues declined in 1997-98 due to the tax reduction associated with the implementation of the HST on April 1, 1997.

Estimated Budgetary Position

	2004-05	2003-04
	($ Millions)	
Current Account		
Gross Expenditure	4,087.5	4,057.3
Related Revenue	224.4	241.6
Net Expenditure	3,863.1	3,815.7
Provincial and Federal Revenues	3,654.1	3,781.2
Financial Requirement	209.0	34.5
Capital Account		
Gross Expenditure	185.3	197.6
Related Revenue	69.7	81.9
Net Expenditure	115.6	115.7
Borrowings - Other Entities	37.0	256.4
Cash Deficit	361.6	406.6
Accrual Adjustment	478.0	552.1
Accrual Deficit	839.6	958.7

Cumulative Expenditure Growth 1995-96 to 2004-05f



Our Challenge

Mr. Speaker, the people of the province have always known that our rich natural and human resources can be a magnet for economic opportunity, but they have also felt something was not right. They knew, intuitively, that government's financial course was unsustainable and that this was a huge hindrance to economic growth. Yet, the previous government was reassuring them that all was well.

Today we know differently.

In November, the new government commissioned an independent assessment of the province's finances by the chartered accounting firm of PricewaterhouseCoopers. Their report, which was released to the people of the province in January, revealed that the fiscal outlook for the next four years - 2004-05 to 2007-08 - was much worse than anyone outside government expected or imagined.

The report showed that we faced an average cash deficit over the next four years of more than $660 million a year and an average accrual deficit of almost $1.1 billion a year. By 2007-08, the cash deficit would exceed $700 million a year with no relief in sight.

Let me put this in historical context. The cash deficit exceeded $300 million only twice in our history, and has never exceeded $350 million. For each of the next four years, we were looking at cash deficits twice the size of the biggest deficit in our history.

Left unchecked, the net debt of the province would reach $15.8 billion by 2007-08. When compared to our $6 billion debt in 1992-93, this would represent an increase in net debt of 163 per cent. By 2007-08, the higher debt load would cost the province an additional $150 million in interest payments every year.

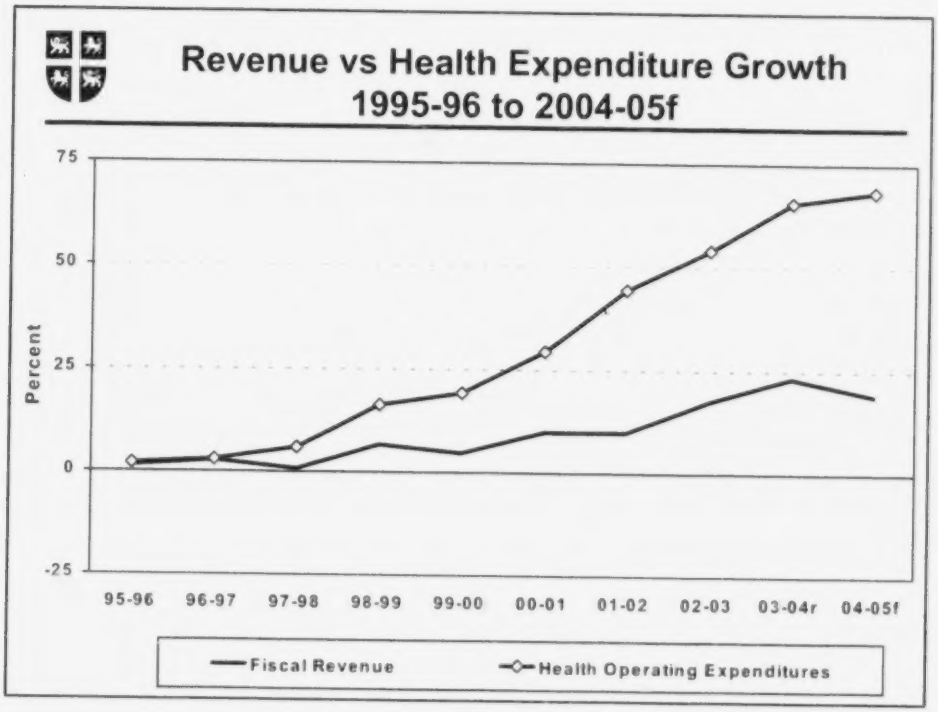
Mr. Speaker, the government finds itself in this position largely for four reasons:

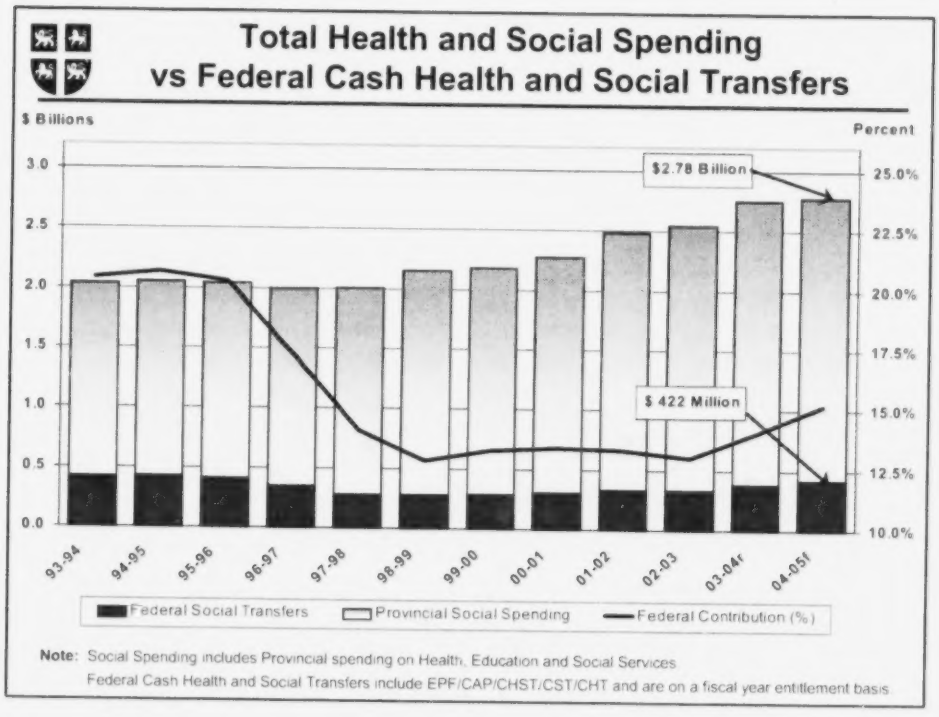
One, a long-term pattern of consistently spending more than the government could afford;

Two, a reliance on one-time money to fund ongoing programs;

Three, spiraling health costs that are growing at more than double the rate of growth in government revenues; and

Four, unilateral changes in federal transfers, which reduced the federal government's share of the cost of health, education, social services and equalization.


Revenue vs Health Expenditure Growth
1995-96 to 2004-05f
75
50
25
0
-25
Percent
95-96
96-97
97-98
98-99
99-00
00-01
01-02
02-03
03-04r
04-05f
Fiscal Revenue
Health Operating Expenditures


Total Health and Social Spending
vs Federal Cash Health and Social Transfers
$ Billions
Percent
3.0
2.5
2.0
1.5
1.0
0.5
0.0
25.0%
22.5%
20.0%
17.5%
15.0%
12.5%
10.0%
$2.78 Billion
$ 422 Million
93-94
94-95
95-96
96-97
97-98
98-99
99-00
00-01
01-02
02-03
03-04r
04-05f
Federal Social Transfers
Provincial Social Spending
Federal Contribution (%)
Note: Social Spending includes Provincial spending on Health, Education and Social Services
Federal Cash Health and Social Transfers include EPF/CAP/CHST/CST/CHT and are on a fiscal year entitlement basis

PricewaterhouseCoopers, using the same figures the previous government had in their possession before they left office, estimated a cash deficit of $602 million and an accrual deficit of $989 million for the coming year.

Mr. Speaker, that is what we have inherited.

It represents an enormous challenge, but we are absolutely committed to getting our financial house in order.

The year ahead, 2004-05, is the first year of our four-year plan. The actions we take in this budget will reduce the deficit projected in the PricewaterhouseCoopers report by 40 per cent, from $602 million to $362 million. The accrual deficit will fall from $989 million to $840 million.

Despite our best efforts, the cash deficit for 2004-05 will still be the largest in the history of the province.

In the following years, the full impact of the government's restructuring strategy and program renewal will kick in, and we will move, progressively, to a zero cash deficit by 2007-08.

Restoring Fiscal Health

Mr. Speaker, we must bring the deficit progressively and strategically lower each year in order to protect the province's credit rating. While our economic prospects remain strong, this alone will not insulate government from having to maintain a responsible fiscal position. The consequences of a rating decline would be higher interest rates, reduced access to capital markets and increased exposure to foreign exchange fluctuations. For example, if our credit rating fell below investment grade this year, and our borrowing rate increased in the range of 2 to 3 per cent, it would cost us from $200 to 300 million in additional interest payments cumulatively to 2007-08, money that we could not raise except by cutting public services. The sense of urgency has been communicated to us by our fiscal agents. It is far better that we address the situation now on our own terms than let others dictate severe measures later.

We face an historic challenge, and the actions we take must be equal to that challenge. We entered the 2003 election campaign with a commitment to eliminate the cash deficit by 2007-08 and to put the accrual deficit on a steady downward trend. Mr. Speaker, we will honour those commitments. Their achievement will be the responsibility of this government. In March 2007, this government will present the people of this province with a budget that is balanced on a cash basis and that will be sustainable into the future.

To eliminate the cash deficit and rein in the accrual deficit, the province needs two things: spending control and stronger economic growth. Our plan will accomplish both.

Financial Targets

	2004-05	2005-06	2006-07	2007-08
	($ Millions)			
Total Revenue	3,948	3,935	4,001	4,320
Gross Expenditure	4,273	4,339	4,393	4,507
Borrowings - Other Entities	37	37	37	37
Cash Deficit before Program Renewal	**362**	**441**	**429**	**224**
Program Renewal Targets	0	(121)	(179)	(224)
Revised Cash Deficit	**362**	**320**	**250**	**0**

Cash Deficit Forecast

	2004-05	2005-06	2006-07	2007-08
	($ Millions)			
PricewaterhouseCoopers				
Revenue	3,909	3,923	4,094	4,218
Expenditure	4,511	4,596	4,759	4,929
Cash Deficit	**602**	**673**	**665**	**711**
Budget Plan 2004				
Revenue	3,948	3,935	4,001	4,320
Expenditure	4,310	4,255	4,251	4,320
Cash Deficit	**362**	**320**	**250**	**0**
Change				
Revenue	39	12	(93)	102
Expenditure	(200)	(341)	(508)	(609)
Deficit Reduction	**(240)**	**(353)**	**(415)**	**(711)**

* *Expenditure includes borrowing requirements of other entities*

Mr. Speaker, our plan begins the process of restoring fiscal integrity in 2004-05. It initiates measures now that will contribute to a deficit reduction strategy over the next four years. It puts in place a program renewal initiative to be completed before the next budget that will go beyond seeking more efficiencies and should be a catalyst for change by re-focusing government programs and services to also be more relevant, effective and citizen-centred.

By delivering on our commitment to present multi-year fiscal plans, the government has given the people of the province a clearer picture of the province's true fiscal outlook and the flexibility we have to act on people's priorities.

Our efforts to reduce the cash deficit have not been easy. We have had to make some very difficult decisions. And we have more difficult decisions to make.

Mr. Speaker, in developing our fiscal plan, we applied four general principles.

First, given our already-high rates of taxation and the need to preserve competitiveness in the economy, we avoided increases in personal income tax, sales tax, and business and payroll taxes.

Second, given the importance of economic growth, we emphasized strategic spending in areas that will boost economic development.

Third, given the importance of protecting the vulnerable in society, we avoided expenditure reductions in areas of critical social services and added new strategic expenditures.

Fourth, we emphasized the importance of seizing efficiencies by reducing administrative and overhead costs while protecting front-line services.

Mr. Speaker, the path we are taking is a tough course, but it is the right course.

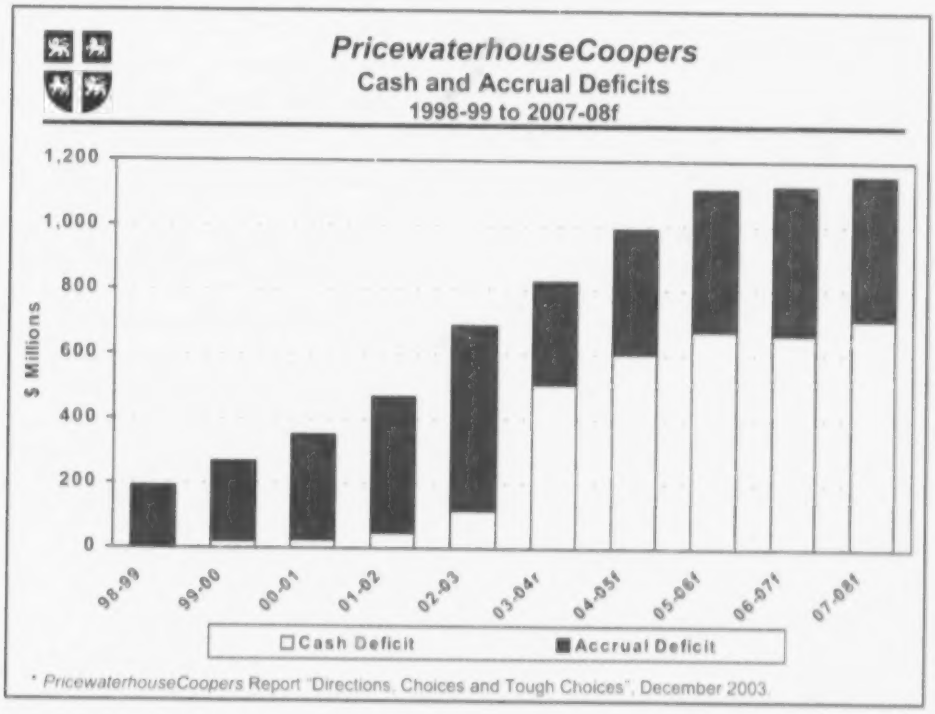
Spending restraint and some very limited revenue measures will eliminate the cash deficit by 2007-08.

We are on target for a zero cash deficit in 2007-08 because of the tough deficit control decisions we are taking, starting this year.

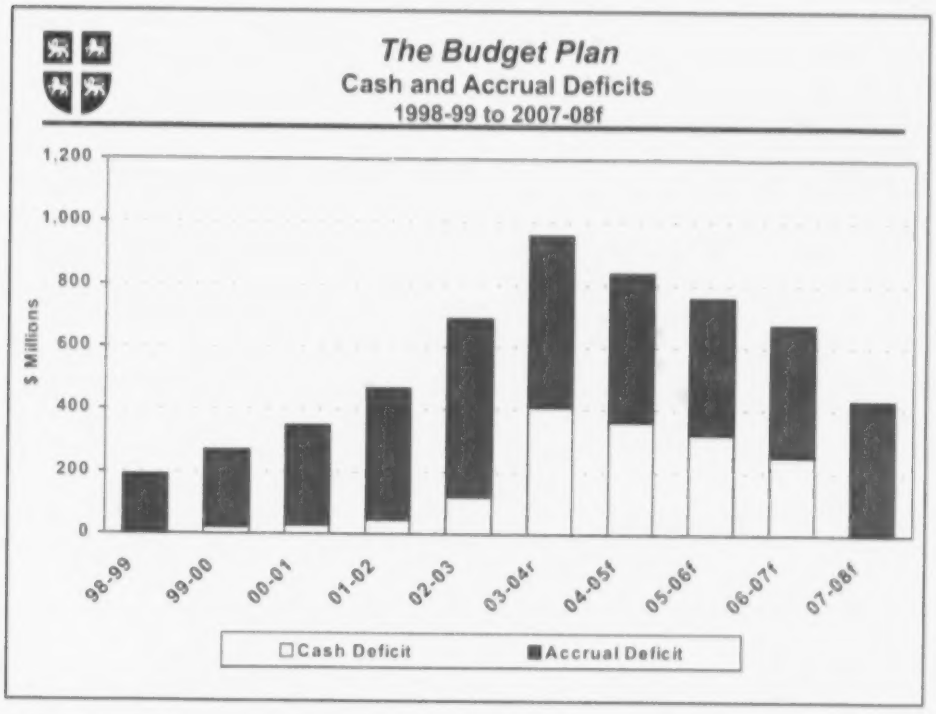
We have started at the top. Government has reduced the number of ministries and the number of executive positions.

We will delay opening The Rooms for one year for a savings of $2 million.

We will cancel work on the West Coast Exhibition Centre in Corner Brook for an estimated savings of $4.8 million.



* *PricewaterhouseCoopers* Report "Directions, Choices and Tough Choices", December 2003.



We are canceling several health projects, namely the extension to the Grand Falls-Windsor hospital, the James Paton Hospital redevelopment in Gander, and the health centre at Grand Bank.

We are canceling the new elementary school for L'Anse au Loup and postponing work at Herdman Collegiate in Corner Brook, Leary's Brook Junior High in St. John's, and Mobile Central High in Mobile.

We have asked Memorial University and the College of the North Atlantic to each identify $2 million in expenditure reductions this year.

We have asked the Newfoundland and Labrador Liquor Corporation to identify $5 million in savings over the next four years. We have also asked the Corporation to produce another $6 million in revenue to government this year.

We will decommission and close the Salmonier Correctional Institution, which would require major repairs to remain open, and close a unit at the Newfoundland and Labrador Youth Centre at Whitbourne that is not needed because of a decline in the number of residents at the facility.

Mr. Speaker, with the major changes in the delivery of income support over the past few years, much of the existing service delivery network, originally designed in the 1960s, has become outdated. Transportation systems have improved since then, and advances in communications and computer technology have opened up new ways of doing business. Instead of clients having to visit an office to have their needs met, they may use mail-in applications. Soon, use of telephone technology will allow clients to access the Income Support Program from their own homes. Payments to clients will be made more efficiently from a new client automated payment system. These advances will enable government to consolidate and close 20 Human Resources, Labour and Employment offices across the province over the next six months. With these changes, it will be possible to place a greater emphasis on enhancing the delivery of employment and career services.

We will reduce Municipal Operating Grants by $5 million over three years beginning with a $2.1 million reduction on the first of January 2005. In year one, only 14 municipalities will be affected. Municipalities with smaller revenue bases will not be affected.

We will eliminate winter and summer cabin road maintenance for a savings of $800,000.

We will cancel the "We're Doing It Right Here" campaign for a savings of $500,000.

We will implement a range of fee increases with a view to cost-recovery.

Among the fee increases announced today, I would like to draw attention to motor vehicle registrations. It is widely acknowledged that we face a significant challenge in this province to invest adequately in public infrastructure. The PricewaterhouseCoopers report pointed out that 35 per cent of our paved roads are more than 20 years old and it costs ten times more to reconstruct a road than to carry out regular maintenance. It has been past practice to delay regular maintenance, like re-paving, to save money in the short term. However, all this neglect does is create much bigger expenditures later. No money could be found within the existing budget to invest in preventative maintenance. Yet it makes much more sense to spend one dollar now if we know it will save us ten dollars later. The logical place to look for money for roads was to vehicle owners and drivers or fuel taxes. We chose to raise the necessary funds through vehicle registrations. This allows us to allocate an additional $7 million in this budget to the provincial roads program, increasing the total funding allocation by 30 percent from $23 million to $30 million. This incremental investment is particularly important at this time since the money the province has received under the Roads for Rail Agreement since 1988 is exhausted.

There are no increases in the rates of personal income tax or corporate income tax in this budget.

The only contribution to deficit reduction from the tax system will come from the taxation of tobacco, a discretionary spending item. The burden smokers place on the health care system is well known, as is the impact high rates of taxation have on encouraging people to quit smoking and discouraging young people from starting. The way tobacco is marketed has necessitated a realignment of how we tax tobacco. The tax rate on fine-cut tobacco is much lower than on manufactured cigarettes given the actual quantity of tobacco now utilized in a home-rolled versus a manufactured cigarette. This creates what amounts to a tax loophole that we are starting to close today. Effective midnight tonight, the tax rate per gram on fine-cut tobacco will increase from 15 cents to 20 cents. The tax rate for each manufactured cigarette will increase from 15 cents to 16 cents. These rate increases will raise an additional $11.3 million a year.

These are just some of the measures we are taking this year in order to protect the province from the consequences of the spiraling deficit.

Mr. Speaker, an inevitable result of any significant fiscal restraint exercise is some impact on jobs. Almost two thirds of government's discretionary expenditures are salaries. There will be fewer positions in the public sector as a consequence of the measures in this budget. We have taken extraordinary measures and incurred significant costs to protect jobs. Our fiscal advisors have warned us that significant measures would be needed this year to protect our fiscal position from grave damage. Because the deficit is so great and because wages constitute such a large portion of annual spending, this year's budgetary measures will necessitate a workforce adjustment.

Out of the entire public service of 32,000 employees, the number of bargaining unit

positions impacted is about 400, or slightly more than one per cent. Every effort will be made to offset the impact on employees through attrition. It is estimated that 1,500 positions will become vacant this year through retirement and natural turnover. We will work diligently with departments, boards and agencies to reduce the number of actual layoffs and to help displaced employees find alternate employment.

Over the next four years to achieve our deficit targets and to keep our commitment to no massive layoffs we estimate there will be 4,000 fewer positions throughout the public service. With over 6,000 positions estimated to become vacant over the next four years through retirement and normal attrition, we will make every attempt we can to have an orderly reduction in the size of the public service. It remains our intention to minimize the number of layoffs in any downsizing. Obviously, some people who retire will have to be replaced as their positions involve contributing to a public service that must be maintained. Retirements and attrition do provide the opportunity, however, to replace employees who are leaving of their own choice with employees who are displaced elsewhere. Programs are being put in place to manage this matching exercise so displaced employees will have the opportunity for re-employment elsewhere in the public service. We are committed to working with our unions to ensure a successful outcome.

Affordable Government

Mr. Speaker, as significant as these deficit reduction measures are, they are only a part of what we must do to achieve fiscal health. Our fiscal problem is structural, and our remedies must be structural as well. That is why we must make permanent changes in how government works. Our objective is to provide efficient, modern services to the people of Newfoundland and Labrador at costs they can afford. That is the key to enduring fiscal health and sustainable public services.

We will establish a process of program renewal in order to re-focus programs and better prioritize where additional investment and enhanced services may be needed. Program renewal is not about doing less, although cost efficiencies must be achieved. It is about deciding what needs to done and doing it better. Program renewal gives us the opportunity to focus government expenditures to strengthen the services that people value the most. It also provides the opportunity to free up funds to invest in economic development initiatives that will increase opportunities and revenues. Each department of government will undertake an examination of its mandate and operations, including all the boards, agencies, commissions and crown corporations that report to it. The program renewal process will promote cooperation throughout government, greater innovation, linkages between social and economic programs, and meaningful consultation with stakeholders. It will ensure that programs and services are more relevant, effective and citizen-centred. A special committee of Ministers will consider program renewal proposals throughout the fall and report to Cabinet in time for next year's budget. While program renewal will be an open-ended and constructive process, we will remain on target to reduce the cash deficit in 2005-06 and 2006-07 and eliminate it by 2007-08.

One of the issues that will be examined in the program renewal exercise is the way we administer the regional delivery of services. Health, education, income support, human resources and many other programs reach out to every region of the province in order to ensure access to government services. We need to ask whether there are cross-sectoral opportunities for better or more efficient service delivery. Can we provide better access to government services through the application of technology? Can we improve access by using existing facilities as places to obtain multiple government services rather than as single-purpose facilities, which are too often the norm? Innovative thinking in government service delivery will become a regular feature of this government's approach.

To enable the people of the province to better assess the government's performance in achieving its fiscal targets and program objectives on a go-forward basis, we will bring to the Legislature a transparency and accountability bill and enact legislation to increase public access to information. This shift towards greater transparency and accountability will enable the government to identify and address problems before they worsen.

Securing Social Programs

In the face of fiscal challenges, our government is particularly cognizant of the need to protect valuable social programs. Strong social programs not only meet the needs of the most vulnerable people in our society, but they also provide jobs, promote investment and strengthen our economy. We remain committed to respecting the five principles of the *Canada Health Act*, revitalizing our education system, and reducing the rate of child poverty to the lowest in the country. These commitments are significant cost drivers. We will not achieve them unless we can better manage the growth in costs and expectations.

Health

Mr. Speaker, the first priority for the people of the province, and indeed the entire country, is to have access to quality health care. People want to know that health care services will be available when they need them. As a provincial government, we have an obligation to make sure health care is well managed and efficient so that the best possible services are provided for the funds available. Right across the country, there is a recognition that our health care system requires reform in order to remain sustainable.

To strike the right balance between quality health care and an efficient, sustainable system, the provincial government is adopting a health strategy consisting of four major parts.

First, an integrated, efficient and smaller governance structure will be adopted. Research shows that integrated governance which joins community health services with acute health care services can produce the best overall approach to health care delivery. Therefore, during the course of 2004-05, the Department of Health and Community Services will oversee a process of board integration. The time is

appropriate and we are now positioned to have fewer governing authorities to provide totally integrated services in defined regions of the province.

Second, a fair and equitable approach to locating health services will be established. Rural communities need assured access to well-resourced primary health care centres within a reasonable driving distance from their homes. People will benefit from the clustering of physicians and other care providers in strategic locations because it will improve recruitment and retention which means stability and continuity of service. Provincial criteria for locating specialty services will also be devised.

Third, the province will develop a skill mix framework to ensure that the right mixture of health care professionals is available in health facilities to deliver high-quality and effective services. It will also ensure that each health care professional is working in a job that utilizes the highest level of skill for which she or he has been trained. This framework will take into account the skill mix standards and experiences in other jurisdictions.

Fourth, a "best practices" culture will be developed throughout the health and community services system to continuously evaluate all areas of clinical and support services to improve effectiveness and efficiency. Building upon and learning from our experiences and what works best in other jurisdictions must become part of a culture of improvement.

Together, these measures will ensure the health system of the future maintains both quality and access. They will also ensure that the health system is managed within the funds available from government without placing the financial stability of the province at risk.

Mr. Speaker, several specific health initiatives in this year's budget will enhance the quality of care available to many.

We will provide $4.3 million this year to implement seven primary health care projects and allow expansion for the development of additional primary health care networks.

We will implement year five of the Personal Care Home Strategy in order to increase personal care home rates for those who provide care to our seniors.

We will provide $200,000 to establish the new Ministerial Advisory Council and Division of Aging and Seniors within the Department of Health and Community Services to ensure the needs and concerns of seniors are properly understood and addressed.

We will provide an $8.6 million increase in the provincial drug programs, including an allocation of $800,000 to cover a new chemotherapy drug, Gleevec, to help fight cancer.

We will establish a new Chief Nurse position within the Department of Health and Community Services.

We will provide another $500,000 a year to place additional social workers in Labrador.

And, having heard the recommendations of the Reid-Power inquiry, we will make an initial allocation of $1 million in support of community mental health services. We are pleased to be able to start to address this widely acknowledged area of need in our health system.

Education

Mr. Speaker, public education is another of the government's most important responsibilities.

We began by consolidating two departments, bringing responsibility for the K-to-12 system and post-secondary education back together. The K-to-12 system has seen a steady decline in enrolments, a trend that is expected to continue in the foreseeable future. Since 1996, educational reform has seen the number of schools in the province reduced by 29 percent. Student enrolment has declined in the same period by 23 percent and is forecast to continue to decline into the foreseeable future. Yet the number of teachers has reduced by only 17 percent.

After extensive stakeholder consultations, the Sparkes-Williams report recommended a teacher allocation formula that takes into account many factors, including the challenges faced by small rural schools. The full implementation of the Sparkes-Williams report has already been deferred for several years. We will continue to defer full implementation until the commencement of the September 2005 school year to allow school boards time to incorporate the adjustments into their staffing plans.

Under the Sparkes-Williams formula, 365 teaching positions would be eliminated this year. However, we have opted to spread the impact over two years. Instead of the number of teaching units declining this year by 365, 256 units will be removed, leaving 109 additional teachers in the classroom for another year. To ensure students in all areas of the province have the best possible access to specialized teachers and subjects, funding will be increased for distance education teachers and the number of courses offered online. Even after the adjustments for declining enrolment we will continue to have the best teacher-pupil ratio in the country this year.

From an employment perspective, we anticipate that more than enough teachers will retire this year and next so that no teacher layoffs should be required to meet the Sparkes-Williams targets.

Though pupil enrolment numbers have been declining, the number of school board districts and administration staff has remained constant. We will reduce the number of school boards by September of this year from eleven to five, for an anticipated savings of about $6 million annually.

Our government will make strategic investments this year in education infrastructure. Some $22 million will be available for major capital construction projects to improve existing schools and construct new facilities.

Our commitment to education extends from early childhood to post-secondary schooling. We will provide funding this year for the creation of a Ministerial Council on Early Childhood Learning to foster comprehensive programs across all government departments and agencies that focus on the learning needs of children and their families.

At the university and college level, the government has already announced a White Paper on Post-secondary Education to examine such pressing issues as accessibility and affordability. We are providing $250,000 this year to allow the White Paper to proceed.

The government has also continued the freeze on tuition fees at Memorial University and the College of the North Atlantic.

Help for Those Who Need it Most

Mr. Speaker, our social policy initiatives will assist the most vulnerable people in our society.

As of January 2005 we will implement a low-income personal income tax reduction program. The program will provide up to $460 a year to those who are eligible. That is nearly $40 a month. We estimate that up to 30,000 of the province's taxpayers could receive a full or partial reduction under this new measure and realize $5.3 million in tax savings. For the most part, this will put more money back in the hands of low-income working people, students and seniors, some of the most financially disadvantaged people in our society.

We will also begin automatically indexing both the Newfoundland and Labrador Child Benefit and the Seniors' Benefit to the Consumer Price Index commencing in 2004, for a combined increase in both benefits of $400,000. This will further increase our financial support for low-income families with children and for seniors.

The government will provide a benefit enhancement for people eligible for the Mother Baby Nutrition Supplement. Eligible mothers of newborn babies will be given $90 at the time of the birth of their child to address the additional costs at this critical period.

The Departments of Health and Community Services and Education will partner on a $250,000 "Healthy Children - Healthy Schools" program to ensure the school environment is conducive to healthy learning.

We will provide $500,000 for the Kids Eat Smart Foundation.

Government will provide an extra $1.6 million in 2004-05 to further enhance the Child Care Services Subsidy Program.

To assist persons with disabilities to enter the workforce, we will provide an additional $400,000 for supported employment.

We are providing an additional $100,000 to address gambling addiction, with particular focus on video lottery terminals, or VLTs.

We are committing $212 million for core income support programs to assist 28,500 cases throughout the province.

In recognition of the special challenges women face in our society, we will increase funding for the Women's Advisory Council and for seven Women's Centres located throughout the province.

Policing and Justice

Mr. Speaker, to better protect people, as outlined in our Throne Speech, we are providing more officers for the Royal Newfoundland Constabulary and the Royal Canadian Mounted Police.

We will enter into a three-year commitment to train 75 new RNC officers at Memorial University.

We will provide $2.25 million by 2007-08 to hire 45 new RNC officers.

We are also providing funding for an additional four RCMP officers in Labrador.

On top of this, both the RNC and RCMP will receive additional funding for new equipment and training totaling approximately $1.5 million. Some of this equipment and training was recommended by the Reid-Power inquiry.

We are providing an additional $300,000 to the RNC for the purchase of new vehicles. The total allocation for 2004-05 will be in excess of $600,000.

And in Labrador, we will provide $2 million for the Supreme Court in Happy Valley-Goose Bay.

These are just some of the positive social policy initiatives with which we will be proceeding in the year ahead.

Investing in Our Future

In challenging fiscal times, restoring fiscal health is a necessary and urgent means of protecting core social services. We recognize the fundamental link between economic and social policy. On the one hand, social programs produce jobs, generate economic activity and attract investors. On the other hand, sound economic policies get businesses growing, get people working and generate revenues we need to place our social programs on a more secure footing. It is critical that we get our social and economic strategies working hand in hand.

Mr. Speaker, that is why we are committed to building a sustainable, diversified economy in which people and communities throughout the province can prosper and social programs can thrive. To get there, the government's approach to economic growth and recovery will be aggressive on many fronts and tied together by an innovation strategy.

We will strengthen the fundamentals, such as access to capital, access to well-qualified workers, and access to the technology that businesses need to stay competitive.

We will invest in sectoral strategies that promote growth in tourism, culture, our renewable resource sector and our extractive resource sector, where local firms can build on local employment and industrial benefits to become more competitive globally.

We will support these sectoral strategies with policies that improve our business environment and brand Newfoundland and Labrador as a place of thriving entrepreneurship and economic potential. We will ensure a competitive tax environment, a competitive regulatory system, and an efficient government sector that supports business opportunity.

And we will relentlessly pursue business investment from outside the province, targeting opportunities in a strategic fashion, and selling Newfoundland and Labrador as a good place to do business.

Leadership on business growth will come from the top. We are dedicating $1 million to establish a new Department of Business, led by the Premier, to play a leading role in attracting new business and investment to the province.

We will establish a Newfoundland and Labrador Office of Federal-Provincial Relations in Ottawa to give the province a stronger presence there and focus attention on our concerns about equalization, transfers, resource benefits, and the numerous other issues that affect our people and economy.

The new approach is about seizing control of our own destiny. To that end, we will proceed with strategic investments in various sectors of the economy to stimulate growth and job creation.

In fisheries, we are moving quickly to implement the recommendations of the Dunne report to strengthen our fish-processing sector by allocating $1.25 million to these initiatives in this budget. The cost will be fully offset by the industry. We will also provide $1 million to preserve the province's contribution to fisheries and aquaculture development.

In the agrifoods sector, we will provide our share of funding for year two of the Agricultural Policy Framework agreement. We will also provide $500,000 for land development in order to allow farmers to lease land not currently being used for agricultural purposes. And, in order to develop Labrador's agrifoods potential, the government will soon finalize its Northern Agrifoods Development Strategy.

In the energy sector, we will allocate $80,000 to begin preparing a much-needed comprehensive energy plan for the province.

In the forestry sector, we will invest $7.3 million in a silviculture program to help promote sustainable development of our forest resources. We will also maintain funding for the resource roads program, which provides access to timber stands to provide fibre for our paper mills and logs for the sawmilling industry.

To protect our environment, we will undertake to clean up the old military site at St. Anthony.

To promote year-round tourism, we will add $1 million to the annual tourism marketing budget and increase that sum each year until our marketing effort matches that of the Maritime provinces.

To promote our cultural industries, we will provide $825,000 to complement Ottawa's $1.5 million to grow this sector. We are also providing $150,000 this year for the French Heritage Celebrations and a $250,000 grant for the Heritage Foundation of Newfoundland and Labrador to continue its valuable work. And we will provide $200,000 this year for the Music Industry Association of Newfoundland and Labrador.

In recognition of the key role innovation must play in building a stronger economy, we are allocating $200,000 for the development of a comprehensive innovation strategy. We will also invest in broadband internet infrastructure in rural areas to better serve our communities and make them more attractive to investors.

In view of the importance of transportation infrastructure, we will provide an additional $7 million to bring the Provincial Roads Program to $30 million. We will provide $24 million to complete Phase II and commence Phase III of the Trans-Labrador Highway. We will provide $15.1 million for the Strategic Highway Investment Program, targeting the Trans-Canada Highway. These investments will promote economic growth opportunities that can create new jobs and new revenues.

We will also invest $1.5 million in capital improvements to Island ferry terminals and $750,000 for maintenance and upgrades of ferry terminals in Labrador. Regarding the vessels themselves, we will provide $2.4 million for the ferry vessel refit program.

To improve the safety of our highways, we are providing $430,000 for year one of a three-year Road Weather Information System to assist winter maintenance crews by more precisely predicting when and where to apply sand and salt.

Mr. Speaker, many of these initiatives will target rural areas, where the need for new opportunities is greatest.

Let me focus in particular on an important initiative that we are undertaking this year to draw our social and economic agendas together. We are allocating $1.7 million in this budget for the establishment of a Rural Secretariat, a focal point for bringing government and community leaders together to enhance rural social and economic development. The Secretariat's overriding goal is to strengthen our rural communities and develop strong regions. The $1.7 million will be focused on promoting longer-term, sustainable development activities.

Our government's efforts to stimulate the economy are sound, though relatively modest at this stage. However, we will build on these initiatives as we create the fiscal room to better support the priorities of Newfoundlanders and Labradorians.

Conclusion

Mr. Speaker, our government entered office in November with a vision and a plan to put government on a sound financial footing, protect our social programs, strengthen our economy and create new jobs.

What we discovered was a financial crisis much worse than we had been led to expect.

But the financial crisis has not thrown us off course. Quite to the contrary, it has strengthened our resolve to clean up the mess and put Newfoundland and Labrador on a secure path towards real growth and self-reliance.

More than anything, this financial crisis demonstrates why the new approach is long overdue. If we had continued down that path, we would have jeopardized our financial integrity, undermined the social programs on which our people rely, and bequeathed to our children an unmanageable burden of debt. How could any responsible government allow that to happen?

Rather, we have taken decisive action to solve this crisis, not overnight, but progressively over time. We have brought forward a balanced, responsible, realistic and sustainable plan to get us there. The new approach protects social programs without compromising our fiscal integrity. The new approach invests in golden

opportunities to grow our economy, attract new investment, create new jobs and generate new revenues that will pay for stronger social programs in years to come.

Our focus is on protecting the future of Newfoundland and Labrador, and nothing we do this year will compromise that. In fact, we will be able to look our children and grandchildren in the eye and tell them we made the best choices in difficult times, we did it to protect all Newfoundlanders and Labradorians, and their province is stronger because we did.

Ours is a two-pronged approach: protecting people and social programs while advancing opportunities for new growth. As the Premier stated in his State of the Province address in January, we as a government are prepared to take initiatives to create new investment, new opportunities and new jobs in Newfoundland and Labrador. We are investing in economic development and job creation, despite our fiscal circumstances, because job growth means revenue growth, and that in turn means more money for health care and education.

We promised a new approach, and we are delivering on that promise.

We promised to protect the most vulnerable people in our society - our seniors, children, students, the disabled, the unemployed and the working poor - and we are delivering on that promise.

We promised to put our social programs on a secure, sustainable footing so they will be there when people need them, and we are delivering on that promise.

We promised to invest in infrastructure and new opportunities for diversification, and we are delivering on that promise.

We promised good government, transparency and accountability, and we are delivering on that promise.

We promised to get the province's fiscal house in order to protect our people and their social programs from serious threats, and we are delivering on that promise.

We are taming the fiscal tiger while at the same time we are preparing to unleash an economic tiger that will bring prosperity and opportunity to communities and people throughout Newfoundland and Labrador.

This year's budget is a foundation for optimism. It is the foundation for hope.

We have set our sights high and will settle for nothing less than the best that can be achieved through hard work and an unshakable belief in ourselves. That is the new attitude - the new approach - and that is what is going to turn opportunity into prosperity for Newfoundland and Labrador.

BUDGET
2004

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STATEMENT I

NEWFOUNDLAND AND LABRADOR
SUMMARY OF BORROWING REQUIREMENTS - BUDGETARY
CONSOLIDATED REVENUE FUND (CRF)
2004-05 and 2003-04 (Revised)

	2004-05 Estimates		2003-04 Revised	
	($000)	($000)	($000)	($000)
BUDGETARY REQUIREMENTS				
Current Account:				
Gross Expenditure	4,087,532		4,057,294	
Related Revenues	224,459		241,574	
Net Expenditure	3,863,073		3,815,720	
Provincial and Federal Revenues	3,654,110		3,781,212	
Financial Requirement		208,963		34,508
Capital Account:				
Gross Expenditure	185,313		197,591	
Related Revenues	69,663		81,916	
Net Expenditure		115,650		115,675
TOTAL BUDGETARY REQUIREMENTS		324,613		150,183

STATEMENT II

NEWFOUNDLAND AND LABRADOR
SUMMARY OF TOTAL BORROWING REQUIREMENTS
2004-05 and 2003-04 (Revised)

	2004-05 Estimates		2003-04 Revised	
	($000)	($000)	($000)	($000)
BUDGETARY REQUIREMENTS (CRF) per STATEMENT I		324,613		150,183
BORROWING REQUIREMENTS - OTHER ENTITIES				
Newfoundland & Labrador Education Investment Corporation	-		20,200	
Newfoundland & Labrador Heritage Corporation	-		8,700	
Newfoundland & Labrador Municipal Financing Corporation	27,000		19,000	
Newfoundland & Labrador Student Loan Corporation	10,000		208,500	
TOTAL BORROWING REQUIREMENTS - OTHER ENTITIES		37,000		256,400
TOTAL BORROWING REQUIREMENTS - BUDGETARY		361,613		406,583
NON-BUDGETARY TRANSACTIONS (CRF)				
Debt Retirement:				
Redemptions (See Appendix II)	198,895		170,703	
Contributions to Sinking Funds (See Appendix II)	42,082		39,370	
Wind Up of Voluntary Sinking Funds	-		(40,589)	
Retirement of Pension Liability	163,500		163,500	
TOTAL NON-BUDGETARY TRANSACTIONS (CRF)		404,477		332,984
TOTAL BORROWING REQUIREMENTS		766,090		739,567

STATEMENT III

NEWFOUNDLAND AND LABRADOR
RECONCILIATION OF BUDGETARY REQUIREMENTS TO
CONSOLIDATED ACCRUAL BUDGET
2004-05 and 2003-04 Revised

	2004-05 Estimates ($000)	2003-04 Revised ($000)
Budgetary Requirements (per Statement I)	324,613	150,183
Tangible Capital Asset Adjustments (CRF):		
Net Additions of Tangible Capital Assets During the Year	(34,033)	(27,344)
Depreciation - Net Additions of Tangible Capital Assets During the Year	1,657	1,328
Depreciation - Unamortized Beginning Balance of Tangible Capital Assets	48,032	55,540
	15,656	29,524
Other Accrual Adjustments:		
Interest and Current Service Cost of Pensions and Other Retirement Benefits	434,658	408,375
Sinking Fund Earnings, Net of Cash Received	(45,874)	(16,000)
Amortization of Foreign Exchange Losses	(4,297)	29,716
Other Accrued Revenues and Expenses, Net of Cash Receipts and Payments	16,646	120,862
Consolidated Revenue Fund Accrual Deficit	741,402	722,660
Other Entities	79,269	237,500
Tangible Capital Asset Adjustments (Other Entities):		
Net Additions of Tangible Capital Assets During the Year	(41,690)	(58,655)
Depreciation - Net Additions of Tangible Capital Assets During the Year	1,042	1,466
Depreciation - Unamortized Beginning Balance of Tangible Capital Assets	59,573	55,722
	18,925	(1,467)
Consolidated Accrual Deficit (see Statement IV)	839,596	958,693

STATEMENT IV

NEWFOUNDLAND AND LABRADOR
CONSOLIDATED ACCRUAL REVENUE AND EXPENDITURE
2004-05 and 2003-04 Revised

	2004-05 Estimates ($000)	2003-04 Revised ($000)
REVENUE		
Government of Canada	1,450,816	1,543,453
Provincial	2,801,046	2,639,897
TOTAL REVENUE	4,251,862	4,183,350
EXPENDITURE		
General Government Sector	1,467,492	1,416,206
Resource Sector	186,758	190,361
Social Sector	3,485,074	3,446,693
Depreciation	110,304	114,056
TOTAL EXPENDITURE	5,249,628	5,167,316
NET INCOME OF GOVERNMENT BUSINESS ENTERPRISES	158,170	25,273
CONSOLIDATED ACCRUAL DEFICIT (see Note 2)	839,596	958,693

Notes:

1. This Statement reflects the estimated activity of the Consolidated Revenue Fund and those entities which are owned and/or controlled by Government. It is prepared using the applicable policies described in Note 1 (Summary of Significant Accounting Policies) of Volume I of the 2002-2003 Public Accounts, with the exception that tangible capital assets are not expensed but rather depreciated over their estimated useful lives.

2. Refer to Statement III for a reconciliation of the Budgetary Requirements - Consolidated Revenue Fund per Statement I to the Consolidated Accrual Deficit per above.

STATEMENT V

COMPARATIVE SUMMARY OF CURRENT AND RELATED REVENUES

2004-05 and 2003-04 Revised

	2004-05 Estimates ($000)	2003-04 Revised ($000)
PROVINCIAL:		
Taxation:		
Personal Income Tax	742,860	733,216
Sales Tax	637,295	625,090
Gasoline Tax	142,000	135,000
Payroll Tax	90,700	88,000
Tobacco Tax	102,800	92,500
Corporate Income Tax	183,800	140,118
Natural Resources Taxes and Royalties	136,970	129,150
Other	42,000	41,000
	2,078,425	1,984,074
General Revenues:		
Newfoundland Liquor Corporation	105,370	99,000
Lottery Revenues	110,900	108,047
Vehicle and Driver Licences	68,627	56,500
Registry of Deeds, Companies and Securities	20,580	18,861
Fines, Fees and Forfeitures	10,921	7,290
Other	48,541	58,409
	364,939	348,107
Expenditure Programs - Related Revenues:		
Recoveries - Sinking Fund Surpluses	3,626	37,000
Interest Income	1,360	3,666
Other	143,278	128,168
	148,264	168,834
TOTAL: PROVINCIAL REVENUES	2,591,628	2,501,015
GOVERNMENT OF CANADA:		
Fiscal Transfer Payments:		
Equalization and Offsets	804,940	1,038,749
Health and Social Transfers	404,098	408,574
Statutory Subsidies	1,708	1,708
	1,210,746	1,449,031
Cost Shared Programs:		
Resource	6,070	7,497
Offshore Fund	489	1,531
Human Resources Development	24,000	23,700
Native Peoples	7,604	7,396
Other	38,032	32,616
	76,195	72,740
TOTAL: GOVERNMENT OF CANADA REVENUES	1,286,941	1,521,771
TOTAL: CURRENT AND RELATED REVENUES	3,878,569	4,022,786

STATEMENT VI

SUMMARY OF CURRENT AND CAPITAL ACCOUNT EXPENDITURES

2004-05 and 2003-04 Revised

	2004-05			2003-04
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)
	$	$	$	$
General Government Sector				
Consolidated Fund Services	586,060,500	19,974,800	566,085,700	518,973,600
Executive Council	32,719,300	2,005,200	30,714,100	30,357,200
Finance	61,143,100	52,079,000	9,064,100	16,179,500
Government Services	32,624,300	11,006,400	21,617,900	21,828,100
Labrador and Aboriginal Affairs	7,304,500	4,683,400	2,621,100	2,930,000
Legislature	15,641,300	165,800	15,475,500	17,280,200
Public Service Commission	2,557,200	-	2,557,200	2,165,200
Transportation and Works	250,117,100	61,478,700	188,638,400	193,473,300
Resource Sector				
Business	1,000,000	-	1,000,000	44,100
Environment and Conservation	24,197,000	6,044,700	18,152,300	18,089,900
Fisheries and Aquaculture	10,356,600	2,158,400	8,198,200	8,299,300
Innovation, Trade and Rural Development	30,490,700	4,268,600	26,222,100	34,610,300
Natural Resources	73,541,200	9,859,300	63,681,900	68,646,900
Tourism, Culture and Recreation	32,747,800	2,575,200	30,172,600	26,554,500
Social Sector				
Education	891,154,600	31,147,900	860,006,700	823,488,100
Health and Community Services	1,660,050,400	24,145,800	1,635,904,600	1,617,962,400
Human Resources, Labour and Employment	276,307,000	15,602,100	260,704,900	270,377,400
Justice	145,414,900	11,061,600	134,353,300	131,116,000
Municipal and Provincial Affairs	129,508,000	35,865,500	93,642,500	117,894,100
Newfoundland and Labrador Housing Corporation	9,910,000	-	9,910,000	11,125,000
TOTAL	4,272,845,500	294,122,400	3,978,723,100	3,931,395,100

AMOUNT TO BE VOTED 2004-05

Gross Current and Capital Expenditure		4,272,845,500
Less: Expenditures Approved by Statute:		
Interest	502,208,800	
Pensions and Gratuities	58,536,300	
Debt Management Expenses	7,539,900	
Issues under Guarantee	100,000	
Salaries (Auditor General and Comptroller General)	220,300	568,605,300
Amount to be Voted by Supply Bill		3,704,240,200

STATEMENT VII

SUMMARY OF CURRENT ACCOUNT EXPENDITURES

2004-05 and 2003-04 Revised

	2004-05			2003-04
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)
	($000)	($000)	($000)	($000)
General Government Sector				
Consolidated Fund Services	585,857	19,786	566,071	521,599
Executive Council	31,499	2,005	29,494	29,456
Finance	61,053	52,079	8,974	16,179
Government Services	31,287	10,901	20,386	21,828
Labrador and Aboriginal Affairs	7,305	4,683	2,622	2,930
Legislature	15,641	166	15,475	17,280
Public Service Commission	2,557	-	2,557	2,165
Transportation and Works	197,035	30,059	166,976	174,418
Resource Sector				
Business	1,000	-	1,000	44
Environment and Conservation	24,001	6,045	17,956	17,783
Fisheries and Aquaculture	10,356	2,158	8,198	8,299
Innovation, Trade and Rural Development	26,796	1,267	25,529	34,002
Natural Resources	69,351	9,859	59,492	59,880
Tourism, Culture and Recreation	27,153	2,575	24,578	25,285
Social Sector				
Education	861,518	31,148	830,370	808,063
Health and Community Services	1,643,365	24,146	1,619,219	1,596,609
Human Resources, Labour and Employment	275,851	15,602	260,249	270,053
Justice	142,580	11,061	131,519	130,403
Municipal and Provincial Affairs	63,417	919	62,498	68,319
Newfoundland and Labrador Housing Corporation	9,910	-	9,910	11,125
TOTAL	4,087,532	224,459	3,863,073	3,815,720

STATEMENT VIII

SUMMARY OF CAPITAL ACCOUNT EXPENDITURES

2004-05 and 2003-04 Revised

	2004-05			2003-04
	Gross Expenditure	Related Revenue	Net Expenditure	Revised (Net)
	($000)	($000)	($000)	($000)
General Government Sector				
Consolidated Fund Services	203	189	14	(2,625)
Executive Council	1,220	-	1,220	902
Finance	90	-	90	-
Government Services	1,337	105	1,232	-
Transportation and Works	53,083	31,420	21,663	19,055
Resource Sector				
Environment and Conservation	196	-	196	307
Innovation, Trade and Rural Development	3,695	3,002	693	609
Natural Resources	4,190	-	4,190	8,766
Tourism, Culture and Recreation	5,595	-	5,595	1,270
Social Sector				
Education	29,637	-	29,637	15,426
Health and Community Services	16,686	-	16,686	21,353
Human Resources, Labour and Employment	455	-	455	324
Justice	2,835	-	2,835	713
Municipal and Provincial Affairs	66,091	34,947	31,144	49,575
TOTAL	185,313	69,663	115,650	115,675

Note: For details refer to Exhibit III.

STATEMENT IX

SUMMARY OF RELATED REVENUES AND EXPENDITURES
BY MAIN OBJECT AND SECTOR
2004-05 and 2003-04 Revised

	General Government Sector 2004/05	Resource Sector 2004/05	Social Sector 2004/05	Total 2004/05	% of 2004/05 Total	Total 2003/04 Revised
	($000)	($000)	($000)	($000)	%	($000)
Current:						
Salaries	126,806	68,683	123,657	319,146	7.81	330,278
Employee Benefits	121,588	631	1,218	123,437	3.02	111,714
Transportation and Communications	13,699	13,910	11,368	38,977	0.95	37,832
Supplies	34,236	6,793	10,138	51,167	1.25	58,024
Professional Services	10,509	4,943	236,749	252,201	6.17	249,039
Purchased Services	88,776	26,202	23,977	138,955	3.40	136,464
Property, Furnishings and Equipment	540	1,168	1,391	3,099	0.08	3,290
Allowances and Assistance	5,865	20	349,539	355,424	8.70	374,698
Grants and Subsidies	15,577	34,366	2,194,033	2,243,976	54.90	2,189,918
Debt Expenses	502,537	-	33,931	536,468	13.12	542,300
Information Technology	12,101	1,941	10,640	24,682	0.60	23,737
Expenditure by Sector Before Recharges	932,234	158,657	2,996,641	4,087,532	100.00	4,057,294
Voted in Other Departments and Divisions	2,580	-	-	2,580		1,986
Recharged to Other Departments and Divisions	(2,580)	-	-	(2,580)		(1,986)
Gross Current Expenditure	932,234	158,657	2,996,641	4,087,532		4,057,294
Federal Revenue Sources	(8,978)	(8,527)	(58,690)	(76,195)	33.95	(72,740)
Provincial Revenue Sources	(110,701)	(13,377)	(24,186)	(148,264)	66.05	(168,834)
Total Current Related Revenues	(119,679)	(21,904)	(82,876)	(224,459)	100.00	(241,574)
Net Current Expenditure	812,555	136,753	2,913,765	3,863,073		3,815,720
Capital:						
Salaries	3,848	106	516	4,470	2.41	4,406
Employee Benefits	-	-	1	1	0.00	-
Transportation and Communications	1,343	5	85	1,433	0.77	2,126
Supplies	464	5	4	473	0.26	482
Professional Services	385	100	2,088	2,573	1.39	3,811
Purchased Services	39,517	4,837	12,189	56,543	30.51	54,549
Property, Furnishings and Equipment	6,150	222	6,514	12,886	6.95	33,221
Loans, Advances and Investments	100	3,621	-	3,721	2.01	10,339
Grants and Subsidies	-	4,300	55,732	60,032	32.40	42,964
Debt Expenses	1,549	-	36,811	38,360	20.70	42,667
Information Technology	2,577	480	1,764	4,821	2.60	3,026
Expenditure by Sector Before Recharges	55,933	13,676	115,704	185,313	100.00	197,591
Voted in Other Departments and Divisions	3,735	-	-	3,735		3,137
Recharged to Other Departments and Divisions	(3,735)	-	-	(3,735)		(3,137)
Gross Capital Expenditure	55,933	13,676	115,704	185,313		197,591
Federal Revenue Sources	(18,775)	(737)	(34,947)	(54,459)	78.17	(59,953)
Provincial Revenue Sources	(12,939)	(2,265)	-	(15,204)	21.83	(21,963)
Total Capital Related Revenues	(31,714)	(3,002)	(34,947)	(69,663)	100.00	(81,916)
Net Capital Expenditure	24,219	10,674	80,757	115,650		115,675
Total Net Expenditure	836,774	147,427	2,994,522	3,978,723		3,931,395

EXHIBIT I

SELECTED ECONOMIC STATISTICS

2000 to 2003

	2003	% Change	2002	% Change	2001	% Change	2000
Population as of July 1 (000's)	519.6	0.1	519.3	-0.5	522.0	-1.1	528.0
Gross Domestic Product at Market Prices ($ Millions)	18,239*	10.2	16,555	16.6	14,196	2.4	13,863
Personal Income ($ Millions)	12,501*	4.3	11,985	4.1	11,510	3.3	11,142
Per Capita Personal Income ($)	24,059*	4.2	23,079	4.7	22,050	4.5	21,102
Labour Force, Annual Average (000's)	261.4	1.6	257.4	2.2	251.9	2.6	245.6
Employment, Annual Average (000's)	217.8	1.8	213.9	1.2	211.3	3.3	204.6
Unemployment Rate, Annual Average (%)	16.7	-0.2	16.9	0.8	16.1	-0.6	16.7
Wages and Salaries ($ Millions)	6,316	4.5	6,043	7.1	5,640	4.0	5,421
Consumer Price Index(1997=100)	111.6	2.9	108.4	2.5	105.8	1.1	104.7
Oil Production (Millions of Barrels)**	123.0	17.9	104.3	92.1	54.3	2.8	52.8
Volume of Fish Landings (000's of Metric Tonnes)	301.0	12.3	268.0	2.7	261.0	-2.4	267.4
Value of Fish Landings ($ Millions)	560.2	10.8	505.4	3.7	487.2	-14.6	570.7
Newsprint Shipments (Thousands of Metric Tonnes)	780.9	5.5	740.3	-0.7	745.8	-7.7	807.8
Iron Ore Shipments (Millions of Metric Tonnes)	19.9	4.7	19.0	9.2	17.4	-17.5	21.1
Value of Manufacturing Shipments NAICS ($ Millions)	2,877.2	14.5	2,513.5	2.0	2,465.1	-1.5	2,503.8
Private and Public Capital Investment ($ Millions)	3,795	2.2	3,713	12.6	3,297	0.0	3,298
Dwelling Starts (Number)	2,692	11.3	2,419	35.3	1,788	22.5	1,459
Retail Trade ($ Millions)	5,347	5.1	5,088	2.9	4,943	9.3	4,522
New Motor Vehicle Sales (Number)	25,428	-1.4	25,790	4.6	24,649	3.3	23,859

Note: Some data are preliminary.
Some percent changes are based on unrounded data.
* Estimate of the Economics and Statistics Branch.
**Includes both Hibernia and Terra Nova production.

Source: Statistics Canada; Economics and Statistics Branch, Department of Finance

EXHIBIT II

ESTIMATED PROVINCIAL AND FEDERAL REVENUES

2004-05 and 2003-04 Revised

	2004-05 Estimates	2003-04 Revised
	($000)	($000)
PROVINCIAL TAX SOURCES:		
Personal Income Tax	742,860	733,216
Sales Tax	637,295	625,090
Gasoline Tax	142,000	135,000
Payroll Tax	90,700	88,000
Tobacco Tax	102,800	92,500
Corporate Income Tax	183,800	140,118
Natural Resources Taxes and Royalties	136,970	129,150
Insurance Companies Tax	32,500	31,500
Corporate Capital Tax	7,200	7,200
Forest Management Tax	2,300	2,300
TOTAL: Provincial Tax Sources	2,078,425	1,984,074
OTHER PROVINCIAL SOURCES:		
Newfoundland Liquor Corporation	105,370	99,000
Lottery Revenues	110,900	108,047
Vehicle and Driver Licences	68,627	56,500
Registry of Deeds, Companies and Securities	20,580	18,861
Fines, Fees and Forfeitures	10,921	7,290
Inland Fish and Game Licences	5,050	4,000
Water Power Rentals	4,980	4,983
Registry of Personal Property	3,340	3,079
Crown Lands	3,660	1,740
Forestry Royalties and Fees	2,430	2,380
Mining and Petroleum Permits and Fees	2,475	2,505
Offshore Revenue Fund	20,000	33,762
Other	6,606	5,960
TOTAL: Other Provincial Sources	364,939	348,107
TOTAL: PROVINCIAL SOURCES	2,443,364	2,332,181
GOVERNMENT OF CANADA:		
Equalization and Offsets	804,940	1,038,749
Health and Social Transfers	404,098	408,574
Statutory Subsidies	1,708	1,708
TOTAL: GOVERNMENT OF CANADA	1,210,746	1,449,031
TOTAL: PROVINCIAL AND FEDERAL REVENUES	3,654,110	3,781,212

EXHIBIT III

CURRENT AND CAPITAL REVENUES
PROVINCIAL AND FEDERAL SOURCES
2000-01 to 2004-05

	2004-05 Estimates		2003-04 Revised		2002-03 Audited		2001-02 Audited		2000-01 Audited	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
Current Revenues :										
Provincial Sources	2,591,628	66.8	2,501,015	62.2	2,363,145	60.5	2,230,299	58.7	2,020,712	56.2
Federal Sources	1,286,941	33.2	1,521,771	37.8	1,543,881	39.5	1,570,500	41.3	1,574,394	43.8
Total: Current Revenues	3,878,569	100.0	4,022,786	100.0	3,907,026	100.0	3,800,799	100.0	3,595,106	100.0
Capital Revenues :										
Provincial Sources	15,204	21.8	21,963	26.8	32,304	39.2	61,129	51.5	76,671	57.0
Federal Sources	54,459	78.2	59,953	73.2	50,046	60.8	57,633	48.5	57,949	43.0
Total: Capital Revenues	69,663	100.0	81,916	100.0	82,350	100.0	118,762	100.0	134,620	100.0
Current and Capital Revenues :										
Provincial Sources	2,606,832	66.0	2,522,978	61.5	2,395,449	60.0	2,291,428	58.5	2,097,383	56.2
Federal Sources	1,341,400	34.0	1,581,724	38.5	1,593,927	40.0	1,628,133	41.5	1,632,343	43.8
Total: Current and Capital Revenues	3,948,232	100.0	4,104,702	100.0	3,989,376	100.0	3,919,561	100.0	3,729,726	100.0

EXHIBIT IV

EXPENDITURE SUMMARY

2004-05 Estimated

Head	Total		Current		Capital	
	Gross ($000)	Net ($000)	Gross ($000)	Net ($000)	Gross ($000)	Net ($000)
Consolidated Fund Services	586,060	566,085	585,857	566,071	203	14
Executive Council	32,719	30,714	31,499	29,494	1,220	1,220
Finance	61,143	9,064	61,053	8,974	90	90
Government Services	32,624	21,618	31,287	20,386	1,337	1,232
Labrador and Aboriginal Affairs	7,305	2,622	7,305	2,622	-	-
Legislature	15,641	15,475	15,641	15,475	-	-
Public Service Commission	2,557	2,557	2,557	2,557	-	-
Transportation and Works	250,118	188,639	197,035	166,976	53,083	21,663
Business	1,000	1,000	1,000	1,000	-	-
Environment and Conservation	24,197	18,152	24,001	17,956	196	196
Fisheries and Aquaculture	10,356	8,198	10,356	8,198	-	-
Innovation, Trade and Rural Development	30,491	26,222	26,796	25,529	3,695	693
Natural Resources	73,541	63,682	69,351	59,492	4,190	4,190
Tourism, Culture and Recreation	32,748	30,173	27,153	24,578	5,595	5,595
Education	891,155	860,007	861,518	830,370	29,637	29,637
Health and Community Services	1,660,051	1,635,905	1,643,365	1,619,219	16,686	16,686
Human Resources, Labour and Employment	276,306	260,704	275,851	260,249	455	455
Justice	145,415	134,354	142,580	131,519	2,835	2,835
Municipal and Provincial Affairs	129,508	93,642	63,417	62,498	66,091	31,144
Newfoundland and Labrador Housing Corporation	9,910	9,910	9,910	9,910	-	-
TOTAL	4,272,845	3,978,723	4,087,532	3,863,073	185,313	115,650

EXPENDITURE SUMMARY

2003-04 Revised

Consolidated Fund Services	578,608	518,974	577,289	521,599	1,319	(2,625)
Executive Council	31,835	30,358	30,933	29,456	902	902
Finance	54,424	16,179	54,424	16,179	-	-
Government Services	31,222	21,828	31,117	21,828	105	-
Labrador and Aboriginal Affairs	7,405	2,930	7,405	2,930	-	-
Legislature	17,427	17,280	17,427	17,280	-	-
Public Service Commission	2,165	2,165	2,165	2,165	-	-
Transportation and Works	247,663	193,473	203,160	174,418	44,503	19,055
Business	44	44	44	44	-	-
Environment and Conservation	22,694	18,090	22,387	17,783	307	307
Fisheries and Aquaculture	9,394	8,299	9,394	8,299	-	-
Innovation, Trade and Rural Development	41,693	34,611	37,465	34,002	4,228	609
Natural Resources	80,140	68,646	71,374	59,880	8,766	8,766
Tourism, Culture and Recreation	31,237	26,555	28,702	25,285	2,535	1,270
Education	856,915	823,489	838,165	808,063	18,750	15,426
Health and Community Services	1,663,174	1,617,962	1,616,921	1,596,609	46,253	21,353
Human Resources, Labour and Employment	285,826	270,377	285,502	270,053	324	324
Justice	142,214	131,116	141,501	130,403	713	713
Municipal and Provincial Affairs	139,680	117,894	70,794	68,319	68,886	49,575
Newfoundland and Labrador Housing Corporation	11,125	11,125	11,125	11,125	-	-
TOTAL	4,254,885	3,931,395	4,057,294	3,815,720	197,591	115,675

EXHIBIT V

PUBLIC SECTOR DEBT

2000 to 2004

	Five Years ending March 31				
	2004*	2003	2002	2001	2000
	(Millions of dollars)				
Provincial Direct Debt:					
Payable in Canadian Dollars	3,945.8	3,714.1	3,464.1	3,458.5	3,059.2
Due Government of Canada	633.7	633.7	633.7	634.3	634.3
Payable in U.S. Dollars (i)	1,518.0	1,688.2	1,833.3	1,849.8	1,700.9
Payable in Japanese Yen	-	-	-	28.9	32.3
Payable in Swiss Francs	-	162.7	284.4	272.8	392.1
Total Debenture and Other Debt	6,097.5	6,198.7	6,215.5	6,244.3	5,818.8
Treasury Bills	494.0	494.0	494.0	390.0	390.0
Total Provincial Direct Debt (ii)	6,591.5	6,692.7	6,709.5	6,634.3	6,208.8
Crown Corporation and Other Debt:					
Utility	1,416.5	1,293.9	1,150.2	1,055.6	1,061.0
Housing	51.3	60.4	79.4	124.4	127.0
Municipal	673.1	602.4	594.4	579.1	538.1
Student Loans	213.0	-	-	-	-
Other	413.3	381.5	346.1	276.7	206.5
Total Crown Corporation and Other Debt	2,767.2	2,338.2	2,170.1	2,035.8	1,932.6
Deduct Sinking Funds held for Redemption of Debt:					
Direct Debt (iii)	784.2	834.4	1,029.9	1,282.3	1,228.6
Guaranteed Debt	290.1	253.7	232.0	244.4	223.6
Total Sinking Funds	1,074.3	1,088.1	1,261.9	1,526.7	1,452.2
Total Public Sector Debt (iv)	8,284.4	7,942.8	7,617.7	7,143.4	6,689.2

* Forecast

Notes: (i) For 2004, converted to the Canadian dollar equivalent using the exchange rate of 1.3200.

(ii) Between the years 2000 and 2004, the Province borrowed a total of $778 million for the purpose of making special payments to address the unfunded liabilities of its pension plans.

(iii) During this period, sinking fund assets of $448 million were returned to the Province upon the wind-up of voluntary sinking funds related to borrowings from the Canada Pension Plan.

(iv) The public sector debt includes the debt of Government, its Crown corporations, boards and agencies, guaranteed debt, and debt incurred by municipalities, even though such debt may not be guaranteed. It does not include payables and accruals or unfunded liabilities related to pensions, severance or retirement benefits.

SUMMARY OF CURRENT REVENUES (by Source)

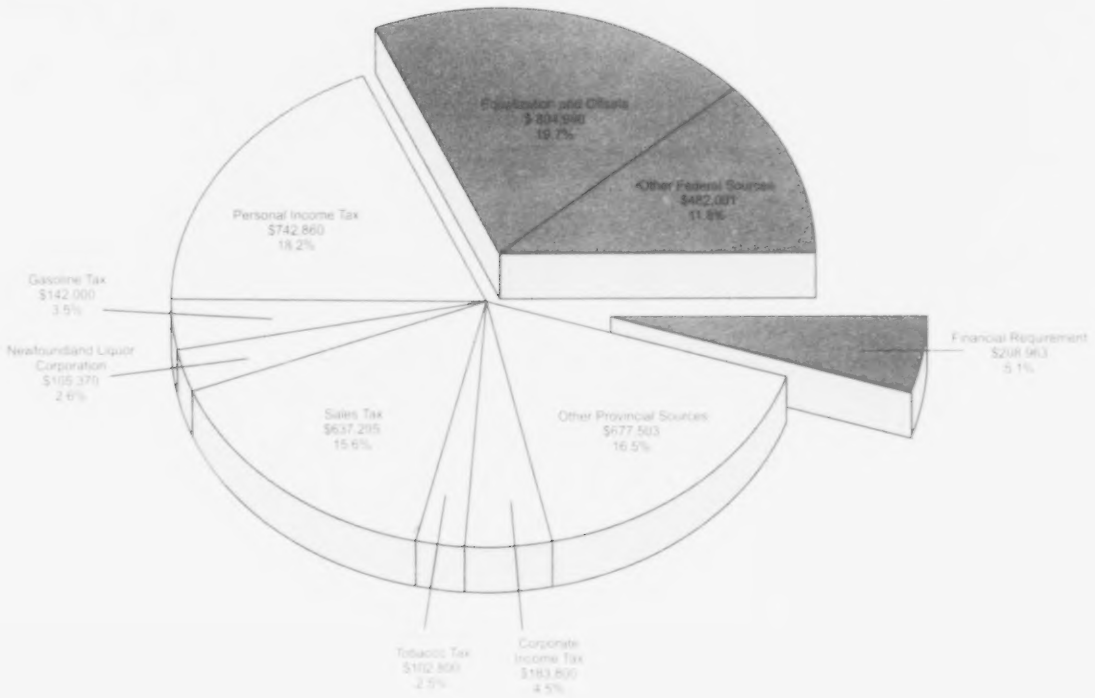
WHERE THE MONEY COMES FROM

Percentage of Total			Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Provincial		
		Total Provincial		
		Government of Canada		
		Total Government of Canada		
		Total Current Revenues		
		Financial Requirement		
		Total		

EXHIBIT VI

SUMMARY OF CURRENT REVENUES (By Source)

WHERE THE MONEY COMES FROM

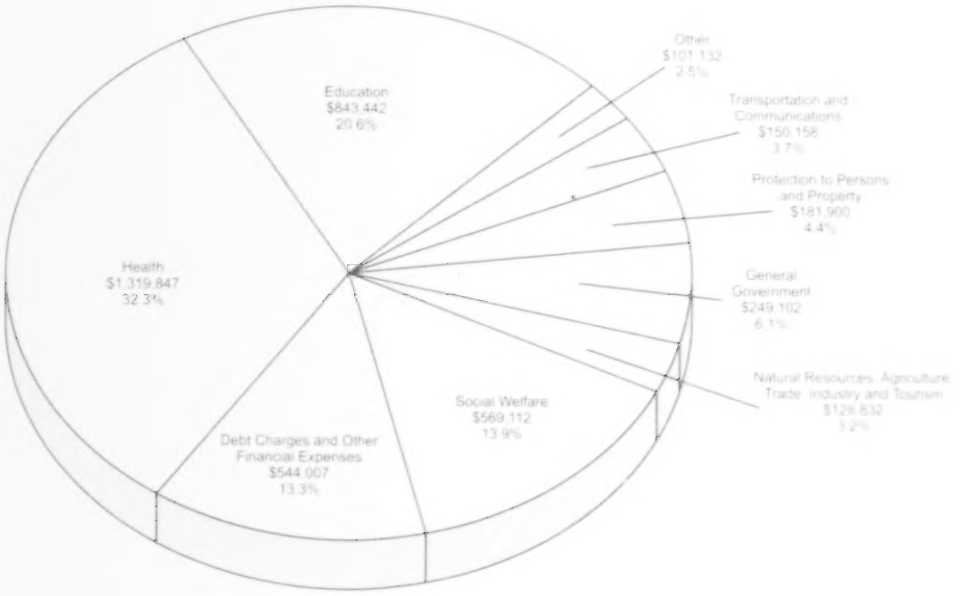


Percentage Of Total		Source	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Provincial:		
18.1	18.2	Personal Income Tax	742,860	733,216
15.4	15.6	Sales Tax	637,295	625,090
3.3	3.5	Gasoline Tax	142,000	135,000
2.4	2.6	Newfoundland Liquor Corporation	105,370	99,000
2.3	2.5	Tobacco Tax	102,800	92,500
3.4	4.5	Corporate Income Tax	183,800	140,118
16.7	16.5	Other Provincial Sources	677,503	676,091
61.6	63.4	**Total: Provincial**	2,591,628	2,501,015
		Government of Canada:		
25.6	19.7	Equalization and Offsets	804,940	1,038,749
11.9	11.8	Other Federal Sources	482,001	483,022
37.5	31.5	**Total: Government of Canada**	1,286,941	1,521,771
99.1	94.9	**Total: Current Revenues**	3,878,569	4,022,786
0.9	5.1	**Financial Requirement**	208,963	34,508
100.0	100.0	**Total**	4,087,532	4,057,294

EXHIBIT VII

SUMMARY OF CURRENT ACCOUNT EXPENDITURES (By Function)

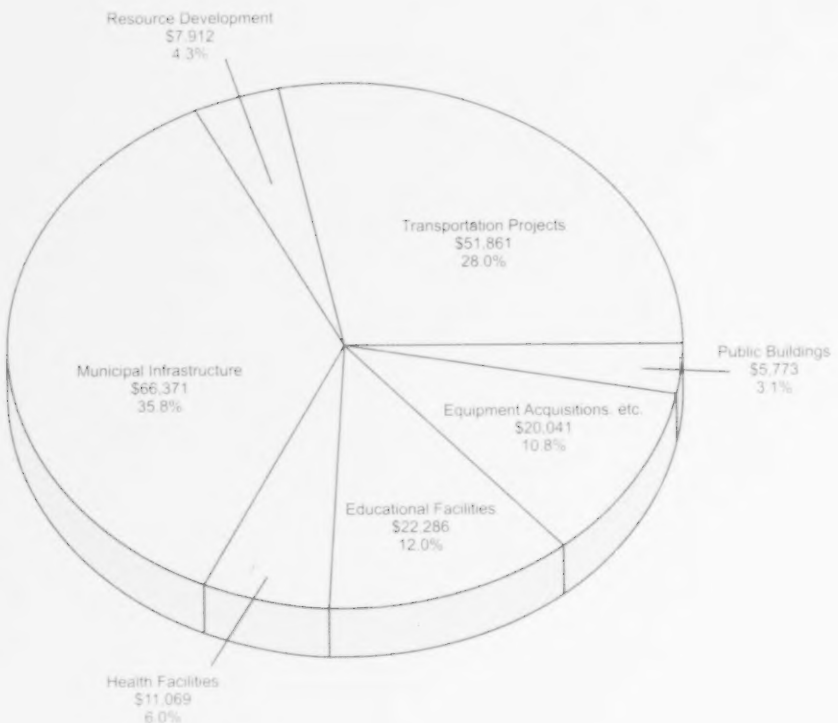
WHERE THE MONEY GOES



Percentage of Total		Function of Expenditure	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Expenditure:		
20.2	20.6	Education	843,442	820,685
32.0	32.3	Health	1,319,847	1,296,655
13.4	13.3	Debt Charges and Other Financial Expenses	544,007	545,226
14.1	13.9	Social Welfare	569,112	572,677
3.4	3.2	Natural Resources, Agriculture, Trade, Industry and Tourism	128,832	135,645
5.9	6.1	General Government	249,102	238,451
4.4	4.4	Protection to Persons and Property	181,900	180,534
3.8	3.7	Transportation and Communications	150,158	154,734
2.8	2.5	Other	101,132	112,687
100.0	100.0	**Total: Expenditures**	4,087,532	4,057,294

EXHIBIT VIII

SUMMARY OF GROSS CAPITAL ACCOUNT EXPENDITURES
(By Function)



Percentage of Total		Category of Capital Expenditure	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Expenditure:		
20.4	28.0	Transportation Projects	51,861	40,386
7.4	4.3	Resource Development	7,912	14,605
35.0	35.8	Municipal Infrastructure	66,371	69,126
9.9	6.0	Health Facilities	11,069	19,538
5.8	12.0	Educational Facilities	22,286	11,518
19.9	10.8	Equipment Acquisitions, etc.	20,041	39,228
1.6	3.1	Public Buildings	5,773	3,190
100.0	100.0	**Total: Expenditure**	185,313	197,591
		Source of Financing:		
30.3	29.4	Government of Canada Revenues	54,459	59,953
11.1	8.2	Provincial Revenues	15,204	21,963
58.6	62.4	Financial Requirement	115,650	115,675
100.0	100.0	**Total: Sources**	185,313	197,591

EXHIBIT IX

SUMMARY OF GROSS GOVERNMENT EXPENDITURES
CURRENT AND CAPITAL
(By Sector)

(TOTAL EXPENDITURE: $ 4,272,845,500)

GROSS GOVERNMENT EXPENDITURE

	Estimate 2004-05 ($000)	Percentage of Total %
Sector Expenditure		
General Government	988,167	23.1
Resource	172,333	4.1
Social	3,112,345	72.8
Total: Expenditure	4,272,845	100.0

RESOURCE SECTOR

	Estimate 2004-05 ($000)	Percentage of Total %
Business	1,000	0.1
Environment and Conservation	24,197	0.6
Fisheries and Aquaculture	10,356	0.2
Innovation, Trade and Rural Development	30,491	0.7
Natural Resources	73,541	1.7
Tourism, Culture and Recreation	32,748	0.8
Total: Resource Sector	172,333	4.1

SOCIAL SECTOR

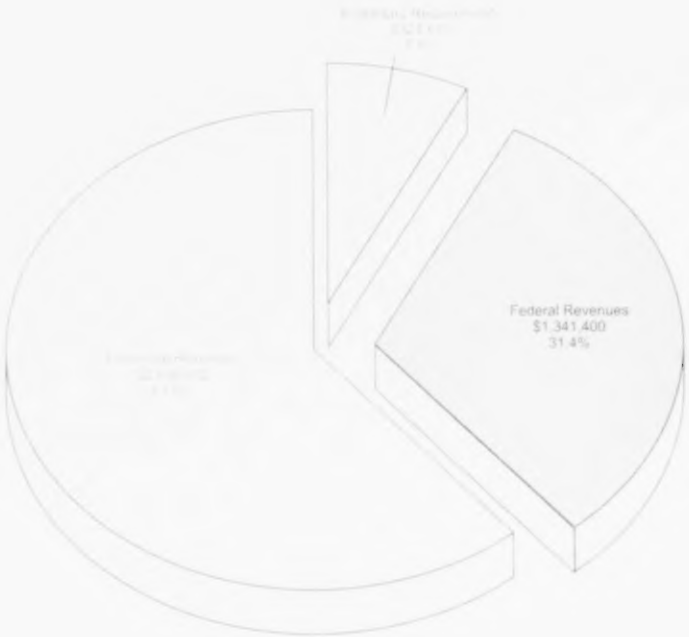
	Estimate 2004-05 ($000)	Percentage of Total %
Education	891,155	20.9
Health and Community Services	1,660,051	38.8
Human Resources, Labour and Employment	276,306	6.5
Justice	145,415	3.4
Municipal and Provincial Affairs	129,508	3.0
Newfoundland and Labrador Housing Corporation	9,910	0.2
Total: Social Sector	3,112,345	72.8

GENERAL GOVERNMENT SECTOR

	Estimate 2004-05 ($000)	Percentage of Total %
Consolidated Fund Services	586,060	13.7
Executive Council	32,719	0.8
Finance	61,143	1.4
Government Services	32,624	0.7
Labrador and Aboriginal Affairs	7,305	0.2
Legislature	15,641	0.4
Public Service Commission	2,557	0.1
Transportation and Works	250,118	5.8
Total: General Government Sector	988,167	23.1

EXHIBIT X

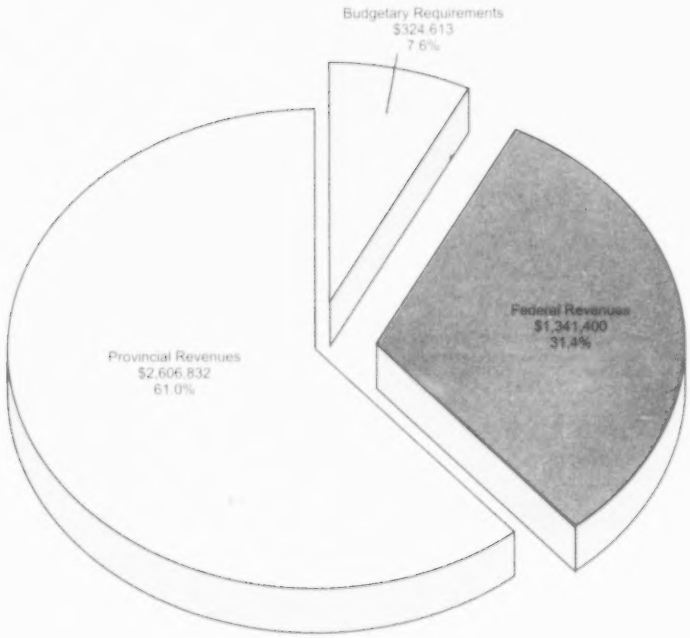
SUMMARY OF BUDGETARY FINANCING SOURCES
(For Gross Current and Capital Account Expenditures)



Percentage of Total		Category of Financing	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Revenue Sources:		
59.3	61.0	Provincial	2,606,832	2,522,978
37.2	31.4	Federal	1,341,400	1,581,724
96.5	92.4		3,948,232	4,104,702
		Budgetary Requirements:		
2.7	2.7	Capital Account (Net Expenditure)	115,650	115,675
0.8	4.9	Current Account (Financial Requirement)	208,963	34,508
3.5	7.6	Total Budgetary Requirements	324,613	150,183
100.0	100.0	**Total: Sources**	4,272,845	4,254,885

EXHIBIT X

SUMMARY OF BUDGETARY FINANCING SOURCES
(For Gross Current and Capital Account Expenditures)



Percentage of Total		Category of Financing	Amount ($000)	
Revised 2003-04	Estimate 2004-05		Estimate 2004-05	Revised 2003-04
		Revenue Sources:		
59.3	61.0	Provincial	2,606,832	2,522,978
37.2	31.4	Federal	1,341,400	1,581,724
96.5	92.4		3,948,232	4,104,702
		Budgetary Requirements:		
2.7	2.7	Capital Account (Net Expenditure)	115,650	115,675
0.8	4.9	Current Account (Financial Requirement)	208,963	34,508
3.5	7.6	Total Budgetary Requirements:	324,613	150,183
100.0	100.0	**Total: Sources**	4,272,845	4,254,885

EXHIBIT XI

SUMMARY OF SALARY COSTS BY DEPARTMENT

2004-05 and 2003-04 (Revised)

DEPARTMENT	2004-05 Estimates	2003-04 Revised
	$	$
Executive Council	17,160,700	17,365,500
Finance	10,180,900	9,201,700
Government Services	20,650,200	21,330,400
Labrador and Aboriginal Affairs	1,412,100	1,645,800
Legislature	6,879,900	8,709,500
Public Service Commission	1,952,000	1,712,600
Transportation and Works	72,418,700	74,184,800
Business	150,300	-
Environment and Conservation	12,834,500	13,304,200
Fisheries and Aquaculture	6,039,000	5,314,400
Innovation, Trade and Rural Development	9,744,500	9,878,100
Natural Resources	32,480,100	32,657,700
Tourism, Culture and Recreation	7,540,000	8,563,700
Education	10,684,900	12,823,100
Health and Community Services	12,364,800	12,101,300
Human Resources, Labour and Employment	26,673,400	28,166,200
Justice	68,012,000	70,576,300
Municipal and Provincial Affairs	6,438,000	7,149,200
TOTAL	323,616,000	334,684,500
Less: Capital Account Salary Expenditure	4,469,600	4,406,100
Total: Current Account Salary Expenditure	319,146,400	330,278,400

EXHIBIT XII

ESTIMATED INTEREST AND DEBT RETIREMENT 2004-05

Term	Series	Amount Outstanding	Interest Rate	Sinking Fund Rate	Interest	Sinking Fund	Debt Redemption
			%	%	$	$	$
Payable in Canadian Dollars:							
1987/2007	5S	42,300,000	10.79	2	4,564,200	846,000	
1987/2010	5R	100,000,000	9⅜	2	9,375,000	2,000,000	
1988/2008	5T	100,000,000	11¼	2	11,250,000	2,000,000	
1989/2012	5U	125,000,000	11	2	13,750,000	2,500,000	
1989/2014	5V	150,000,000	10⅛	1½	15,187,500	2,250,000	
1991/2021	5X	147,892,000	10.95	-	16,194,200		
1993/2013	EC6	81,734,000	5.65	2	4,618,000	1,634,700	
1995/2025	6B	100,000,000	9.15	¾	9,150,000	750,000	
1996/2004	5Z	98,895,000	9.55	-	4,722,200		98,895,000
1996/2026	6C	150,000,000	8.45	¾	12,675,000	1,125,000	
1997/2007	6E	150,000,000	5.90	-	8,850,000		
1998/2008	6G	250,000,000	5.70	-	14,250,000		
1998/2028	6F	450,000,000	6.15	1	27,675,000	4,500,000	
1999/2009	6J	200,000,000	6.70	-	13,400,000		
1999/2029	6H	200,000,000	6.50	1⅛	13,000,000	2,250,000	
2000/2030	6K	450,000,000	6.55	1⅛	29,475,000	5,062,500	
2001/2005	6M	100,000,000	4.61	-	4,610,000		
2001/2011	6L	200,000,000	6.4	-	12,800,000		
2002/2005	6N	40,000,000	FLOATING	-	1,200,000		40,000,000
2002/2005	6P	60,000,000	FLOATING	-	1,800,000		60,000,000
2002/2010	EC7	200,000,000	5⅛	-	10,250,000		
2002/2042	6Q	250,000,000	6.24	½	15,600,000	1,250,000	
2003/2033	6R	300,000,000	5.60	1/4	16,800,000	3,750,000	
2004/2005	Anticipated		0	-	21,150,000		
					292,346,100	29,918,200	198,895,000
Payable in United States Dollars:							
1987/2007	AF	100,000,000	11⅝	2	15,286,900	2,630,000	
1989/2019	AG	150,000,000	9	1½	17,752,500	2,958,800	
1990/2020	AH	150,000,000	9⅞	½	19,478,400	986,300	
1990/2020	AJ	150,000,000	10	½	19,725,000	986,300	
1991/2021	AK	200,000,000	9	½	23,670,000	1,315,000	
1992/2022	AM	200,000,000	8.65	½	22,749,500	1,315,000	
1993/2023	AN	200,000,000	7.32	¾	19,251,600	1,972,500	
					137,913,900	12,163,900	
					430,260,000	42,082,100	198,895,000

EXHIBIT XII

ESTIMATED INTEREST AND DEBT RETIREMENT 2004-05 (Cont'd)

Term	Series	Amount Outstanding	Interest Rate	Sinking Fund Rate	Interest	Sinking Fund	Debt Redemption
			%	%	$	$	$
Canada Pension Plan:							
(20 Year Term)							
1984/85	3A	47,146,000	12.08-14.06	-	3,623,700		
1985/86	3A	50,570,000	10.58-12.57	-	5,806,900		
1986/87	3A	59,659,000	9.04-10.17	-	5,735,200		
1987/88	3A	43,829,000	9.12-11.07	-	4,280,400		
1988/89	3A	41,635,000	9.62-10.39	-	4,196,400		
1989/90	3A	45,188,000	9.15-10.31	-	4,475,100		
1990/91	3A	40,432,000	9.78-11.33	-	4,385,400		
1991/92	3A	40,858,000	9.81-10.04	-	4,052,800		
1992/93	3A	28,770,000	9.17- 9.45	-	2,695,300		
1998/99	3A	1,827,000	5.97	-	109,100		
1999/00	3A	35,282,000	5.89-7.02	-	2,248,100		
2000/01	3A	42,645,000	6.41-6.90	-	2,851,100		
2001/02	3A	52,376,113	6.38-6.85	-	3,452,800		
2002/03	3A	52,104,000	5.88-6.61	-	3,275,400		
2003/04	3A	50,738,000	5.41-6.15		2,917,400		
2004/05 Anticipated					1,143,700		
					55,248,800		
TOTAL					485,508,800	42,082,100	198,895,000

AVERAGE EXCHANGE RATES USED IN CONVERSION

U.S..... 1.3150 Cdn.

EXHIBIT XIII

DETAILS OF CAPITAL EXPENDITURES

ESTIMATES 2004-05

ACTIVITY NO.	DETAILS	GROSS EXPENDITURE	RELATED REVENUE	NET EXPENDITURE
		$	$	$
CONSOLIDATED FUND SERVICES				
1.2.01	Recoveries on Loans, Advances and Investments	-	188,300	(188,300)
1.3.01	Various Facilities - Rental Purchase	103,700	-	103,700
1.4.02	Issues Under Guarantee (Statutory)	100,000	1,000	99,000
TOTAL		203,700	189,300	14,400
EXECUTIVE COUNCIL				
3.1.09	Administrative Support	1,220,000	-	1,220,000
TOTAL		1,220,000	-	1,220,000
FINANCE				
1.2.03	Administrative Support	90,000	-	90,000
TOTAL		90,000	-	90,000
GOVERNMENT SERVICES				
1.2.02	Administrative Support	1,337,000	105,000	1,232,000
TOTAL		1,337,000	105,000	1,232,000
TRANSPORTATION AND WORKS				
1.2.05	Administrative Support	705,000	-	705,000
2.2.05	Salt Storage Sheds	300,000	-	300,000
2.3.03	Equipment Acquisitions	3,500,000	125,000	3,375,000
3.2.04	Administrative Support - Road Construction	112,600	-	112,600
3.2.05	Improvement and Construction - Provincial Roads	4,000,000	-	4,000,000
3.2.08	Trans Labrador Highway	24,000,000	24,000,000	-
3.2.09	Strategic Highway Infrastructure Program	15,120,000	6,894,700	8,225,300
3.2.10	Land Acquisition	2,000,000	-	2,000,000
3.3.04	Development of New Facilities	500,000	-	500,000
4.1.04	Airstrips	400,000	400,000	-
4.2.05	Ferry Terminals	1,000,000	-	1,000,000
4.2.06	Ferry Vessels	1,445,100	-	1,445,100
TOTAL		53,082,700	31,419,700	21,663,000
ENVIRONMENT AND CONSERVATION				
1.2.04	Administrative Support	196,000	-	196,000
TOTAL		196,000	-	196,000
INNOVATION, TRADE AND RURAL DEVELOPMENT				
1.2.04	Administrative Support	20,000	-	20,000
3.2.04	Comprehensive Economic Development	1,053,100	737,200	315,900
3.3.02	Strategic Enterprise Development Fund	2,621,500	2,264,900	356,600
TOTAL		3,694,600	3,002,100	692,500

EXHIBIT XIII

DETAILS OF CAPITAL EXPENDITURES

ESTIMATES 2004-05

ACTIVITY NO.	DETAILS	GROSS EXPENDITURE	RELATED REVENUE	NET EXPENDITURE
		$	$	$
NATURAL RESOURCES				
1.2.04	Administrative Support	190,000	-	190,000
2.1.04	Resource Roads Construction	3,500,000	-	3,500,000
3.1.03	Land Development	500,000	-	500,000
TOTAL		4,190,000	-	4,190,000
TOURISM, CULTURE AND RECREATION				
1.2.04	Administrative Support	295,000	-	295,000
3.1.08	Newfoundland and Labrador Film Development Corporation	1,000,000	-	1,000,000
3.1.09	Newfoundland and Labrador Heritage Corporation	4,300,000	-	4,300,000
TOTAL		5,595,000	-	5,595,000
EDUCATION				
2.1.04	Administrative Support	30,000	-	30,000
3.1.08	Newfoundland and Labrador Education Investment Corporation	22,035,900	-	22,035,900
3.1.09	Native People's Education	250,000	-	250,000
4.2.02	Physical Plant and Equipment - Memorial University	5,723,700	-	5,723,700
4.3.02	Physical Plant and Equipment - College of the North Atlantic	1,597,000	-	1,597,000
TOTAL		29,636,600	-	29,636,600
HEALTH AND COMMUNITY SERVICES				
1.2.09	Administrative Support	1,220,700	-	1,220,700
3.3.01	Furnishings and Equipment	4,500,000	-	4,500,000
3.3.02	Health Care Facilities	10,965,300	-	10,965,300
TOTAL		16,686,000	-	16,686,000
HUMAN RESOURCES, LABOUR AND EMPLOYMENT				
1.2.04	Administrative Support	455,600	-	455,600
TOTAL		455,600	-	455,600
JUSTICE				
1.2.04	Administrative Support	861,400	-	861,400
3.1.02	Supreme Court Facilities	1,973,200	-	1,973,200
TOTAL		2,834,600	-	2,834,600
MUNICIPAL AND PROVINCIAL AFFAIRS				
1.2.03	Administrative Support	20,000	-	20,000
3.2.01	Municipal Infrastructure	35,072,000	-	35,072,000
3.2.02	Canada-Newfoundland and Labrador Infrastructure Program	20,154,000	20,000,000	154,000
3.2.03	Community Development - Coastal Labrador	8,745,200	2,686,700	6,058,500
4.1.04	Disaster Assistance	2,100,000	12,260,300	(10,160,300)
TOTAL		66,091,200	34,947,000	31,144,200
TOTAL: CAPITAL ACCOUNT EXPENDITURES		185,313,000	69,663,100	115,649,900

EXHIBIT XIV

DETAILS OF TANGIBLE CAPITAL ASSET ACQUISITIONS

ESTIMATES 2004-05

ACTIVITY NO.	DETAILS	GROSS EXPENDITURE	RELATED REVENUE	NET EXPENDITURE
		$	$	$
EXECUTIVE COUNCIL				
3.1.09	Administrative Support	1,220,000	-	1,220,000
TOTAL		1,220,000	-	1,220,000
FINANCE				
1.2.03	Administrative Support	90,000	-	90,000
TOTAL		90,000	-	90,000
GOVERNMENT SERVICES				
1.2.02	Administrative Support	1,337,000	105,000	1,232,000
TOTAL		1,337,000	105,000	1,232,000
TRANSPORTATION AND WORKS				
1.2.05	Administrative Support	705,000	-	705,000
2.2.05	Salt Storage Sheds	300,000	-	300,000
2.3.03	Equipment Acquisitions	3,500,000	125,000	3,375,000
3.2.04	Administrative Support	112,600	-	112,600
3.2.05	Improvement and Construction - Provincial Roads	4,000,000	-	4,000,000
3.2.08	Trans Labrador Highway	24,000,000	24,000,000	-
3.2.09	Strategic Highway Infrastructure Program	15,120,000	6,894,700	8,225,300
3.2.10	Land Acquisition	2,000,000	-	2,000,000
3.3.04	Development of New Facilities	500,000	-	500,000
4.1.04	Airstrips	400,000	400,000	-
4.2.05	Ferry Terminals	1,000,000	-	1,000,000
4.2.06	Ferry Vessels	1,445,100	-	1,445,100
TOTAL		53,082,700	31,419,700	21,663,000
ENVIRONMENT AND CONSERVATION				
1.2.04	Administrative Support	196,000	-	196,000
TOTAL		196,000	-	196,000
INNOVATION, TRADE AND RURAL DEVELOPMENT				
1.2.04	Administrative Support	20,000	-	20,000
3.2.04	Comprehensive Economic Development	1,053,100	737,200	315,900
TOTAL		1,073,100	737,200	335,900
NATURAL RESOURCES				
1.2.04	Administrative Support	190,000	-	190,000
2.1.04	Resource Roads Construction	3,500,000	-	3,500,000
3.1.03	Land Development	500,000	-	500,000
TOTAL		4,190,000	-	4,190,000

EXHIBIT XIV

DETAILS OF TANGIBLE CAPITAL ASSET ACQUISITIONS

ESTIMATES 2004-05

ACTIVITY NO.	DETAILS	GROSS EXPENDITURE	RELATED REVENUE	NET EXPENDITURE
		$	$	$
TOURISM, CULTURE AND RECREATION				
1.2.04	Administrative Support	295,000	-	295,000
TOTAL		295,000	-	295,000
EDUCATION				
2.1.04	Administrative Support	30,000	-	30,000
3.1.09	Native People's Education	250,000	-	250,000
TOTAL		280,000	-	280,000
HEALTH AND COMMUNITY SERVICES				
1.2.09	Administrative Support	1,220,700	-	1,220,700
TOTAL		1,220,700	-	1,220,700
HUMAN RESOURCES, LABOUR AND EMPLOYMENT				
1.2.04	Administrative Support	455,600	-	455,600
TOTAL		455,600	-	455,600
JUSTICE				
1.2.04	Administrative Support	861,400	-	861,400
3.1.02	Supreme Court Facilities	1,973,200	-	1,973,200
TOTAL		2,834,600	-	2,834,600
MUNICIPAL AND PROVINCIAL AFFAIRS				
1.2.03	Administrative Support	20,000	-	20,000
TOTAL		20,000	-	20,000
TOTAL: TANGIBLE CAPITAL ASSET ACQUISITIONS		66,294,700	32,261,900	34,032,800